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Two Hunt Brothers For Bankruptcy... Jean Michel Jare has a new ally...

Phire Salinger who of ABC... The Daily Source for national restors.

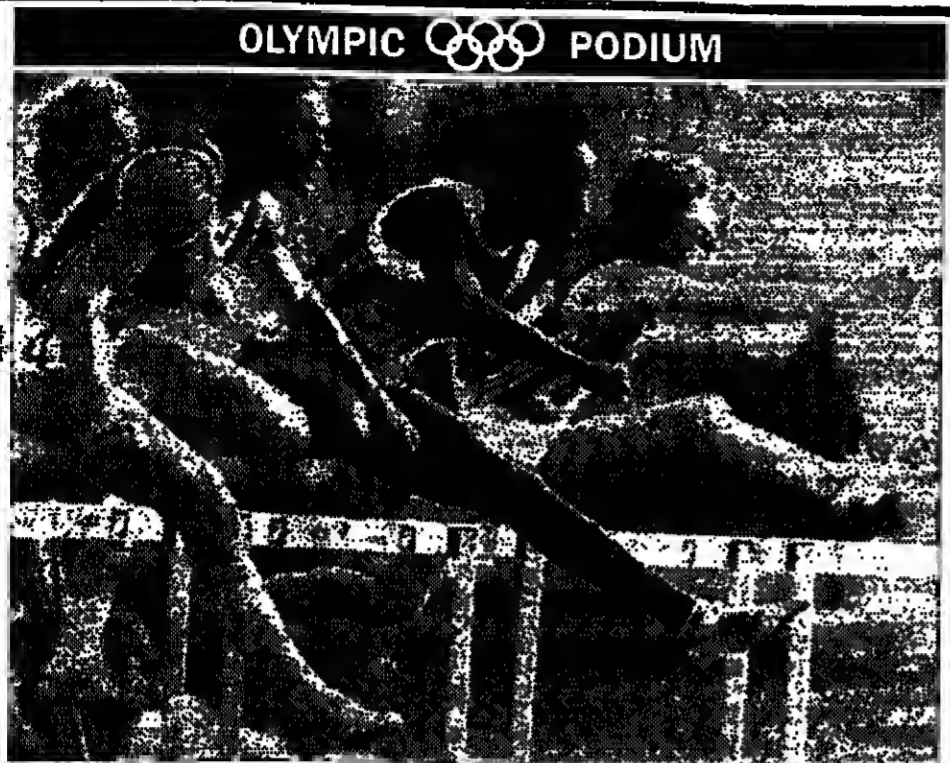
THE DIPLOMAT... Page 4 FOR MORE CLASSIFIED

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OLYMPIC PODIUM

It's Mota Mighty in the Marathon, With Kerssee Pulling Away. Rosa Mota of Portugal dashed away from the rest of the world's best women distance runners to win the marathon...

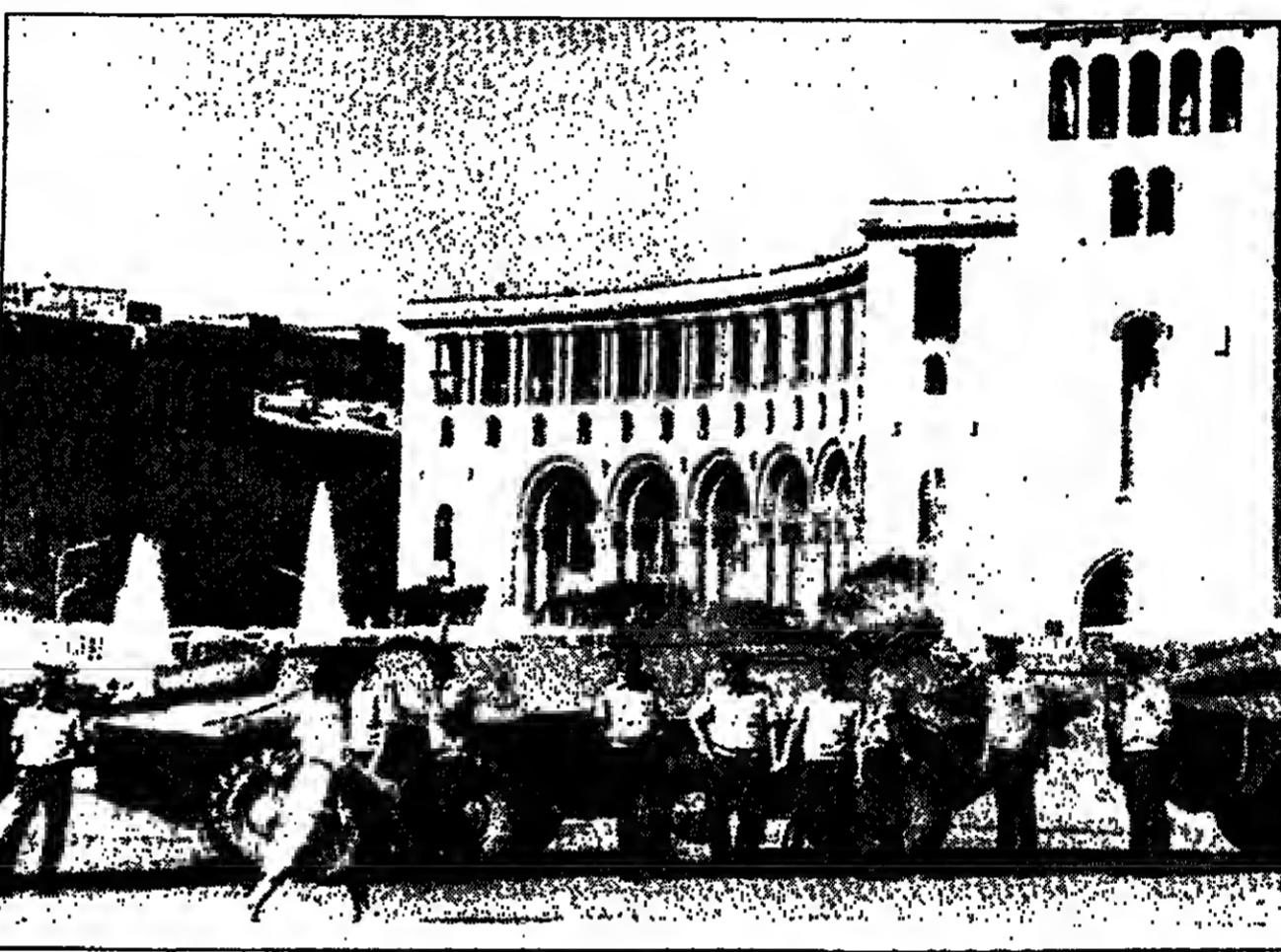
Otto Wins Her 4th Gold, and She's Not Done Mining the Pool. Kristin Otto (right), the indefatigable East German, swam to her fourth gold medal Friday in the 100-meter butterfly...

No Matter How They Tumble, the Soviets Fall Into First. Yelena Shousbounova, taking up where the men on the Soviet Union's team had left off, vaulted into the women's individual all-around gold medal in gymnastics...

It's Better to Be Out to Lunch Than to Be Lynched. A sign on the door of Press Support Office at the boxing venue: "We are sorry we do not know anything. Trouble is, we are also press-related. Nobody wants to talk to us either. Good luck to your effort."

Gorbachev's Armenia Dilemma Deepens

By Bill Keller. MOSCOW — Mikhail S. Gorbachev's predecessors would have known how to handle the tense standoff that now prevails in the southern Soviet republics of Armenia and Azerbaijan. Long before the dispute for custody of the area called Nagorno-Karabakh grew into massive displays of nationalist passion, protest leaders would have disappeared into prisons and psychiatric hospitals...



Soldiers standing before armored personnel carriers Friday before a central square in the Armenian capital of Yerevan.

Lebanese Regimes At Odds

By Ihsan A. Hijazi. BEIRUT — Two rival governments claimed legitimacy in Lebanon on Friday after President Amin Gemayel's mandate ended, and the country faced the danger of partition along religious lines...

The pact, an unwritten agreement between the communities that was reached at the time of independence in 1943, gave the office of prime minister to the Sunnis and that of speaker of the National Assembly to the Shiites...

Factions in PLO Narrow Split

Plan to Declare State Would Skirt Recognition of Israel. By Alan Coward. DAMASCUS — Arab weeks of intense debate, the PLO's Liberation Organization is close to agreeing on a formula for declaring a Palestinian state in the Israeli-occupied West Bank and Gaza Strip...

That decision, creating a huge political vacuum, came in response to months of Palestinian revolt against Israel occupation of the West Bank and the Gaza Strip. The underground leaders of the uprising have urged a declaration of independence, but their call produced sharp divisions within the PLO over whether the move would mean a tacit recognition of Israel and over the processes leading up to it.

Swing Voters: Target in Sunday Debate

By David S. Broder and Richard Morin. WASHINGTON — Vice President George Bush's narrow lead over Governor Michael S. Dukakis in a poll of likely voters lies wholly among the one in four voters who say they might switch by Election Day...

The Washington Post-ABC News poll shows Mr. Bush leading, 50 percent to 46 percent overall. But nine out of 10 of the undecided who lean toward Mr. Dukakis and more than 8 out of 10 of the undecided who lean toward Mr. Bush say that they need to hear more from the Democratic contender. By contrast, half those leaning toward Mr. Bush and two-thirds of those inclined toward Mr. Dukakis say they lack sufficient information on Mr. Bush.

House Backs Import Curbs

WASHINGTON (AP) — The House approved a bill Friday that would tighten restrictions on textile, apparel and shoe imports. The 248-to-150 vote was short of the margin needed to override President Ronald Reagan's threatened veto.

The House approved an earlier version of the bill in September 1987. The vote Friday confirmed changes made by the Senate and sent the bill to Mr. Reagan. The bill, designed to protect U.S. industry against foreign competition, would freeze textile and apparel imports at 1987 levels this year and limit growth to 1 percent annually starting in January.

General News: Tensions mount as still terrorizing Haitians. Page 5. Le Figaro, the combative rightist French daily, looks to a new editor to lead it more to the center. Page 2. Business/Finance: Louche PLC agreed to sell a glassmaking unit as it faces a possible raid. Page 15.

Ministers Reject IMF Call on Debt Relief

By Reginald Dale and Carl Gewirtz. BERLIN — The finance ministers of West Germany and the Netherlands, rejecting a call by the head of the International Monetary Fund, said Friday that they opposed the principle of global debt forgiveness for heavily indebted countries.

But the ministers, Gerhard Stoltenberg of West Germany and H. Onno Ruding of the Netherlands, stressed that they were not arguing against debt relief for the poorest nations. Rather, they said, they were rejecting the principle of global debt forgiveness in favor of case-by-case "market-based solutions" for such middle-income debtor nations as Brazil and Mexico. On Thursday, Michel Camdessus, who heads the IMF, urged industrial nations to write off some debts of developing countries.

Europe Ends Summer Time

Most of Europe will make the annual switch Sunday morning from summer to standard time. At 3 A.M. local time, most clocks will be set back one hour to 2 A.M. In Greece, clocks will be set back at 4 A.M. Britain and Ireland will end summer time on Oct. 23, turning back to GMT. The United States and Canada will return to winter time by putting back the clocks one hour on Oct. 30. On the same day, Australia and New Zealand will move clocks forward one hour as the Southern Hemisphere changes to summer time.

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Can Leftist Pull French Daily to Center?

By James M. Markham
New York Times Service

PARIS — A powerful but troubled newspaper reaches out for the editorial talents of a brilliant young journalist: a familiar story. A rightist press baron, Robert Hersant, steals the 39-year-old editor of France's leading leftist weekly: another story altogether.

"If you had told me two weeks ago that I would be going to Figaro I would have just laughed," said the editor, Franz-Olivier Giesbert.

The emotional ordeal of resolving to leave Le Nouvel Observateur, the weekly where he had spent his entire journalistic career, cost Mr. Giesbert several kilograms and many nights of sleep. Despite his boyish good looks, he appeared haggard, his collar was too big and his suit hung limply.

Yet Mr. Giesbert's drama is more than a personal one. Mr. Hersant's decision to name him editor of Le Figaro, a fiercely committed conservative daily newspaper, is an upheaval that seems destined to deprive the French night of a strident megaphone, mellowing the tonality of political discourse in the nation.

The abrupt shifting of gears at Le Figaro is a delayed reaction to President François Mitterrand's reelection in May. Mr. Hersant had thrown Le Figaro's great weight and prestige into the scales against the Socialist president and in favor of his conservative challenger, Jacques Chirac.

So engaged was Le Figaro in Mr.

'I often have more respect for the American press than for the French press.'
Franz-Olivier Giesbert

The Hersant media empire is financially troubled, in part because of major losses from a privately owned television channel, La Cinq, and a less truculent attitude toward a Socialist government might eventually ease lines of credit.

On Sept. 6, Mr. Hersant summoned Mr. Giesbert and offered him the editorship of Le Figaro, which, with a claimed circulation of 500,000, still outstrips Le Monde and Liberation, its most respected rivals.

The Hersant offer was layered with paradox and offered Mr. Giesbert an opportunity for a kind of historical revenge.

While amassing his press empire, Mr. Hersant in 1972 acquired a Rauen daily, Paris-Normandie. Mr. Giesbert's maternal grandfather had been a stockholder in the paper and fought vainly in the courts to prevent the takeover.

Mr. Giesbert had his eyes on running Paris-Normandie, but the Hersant takeover steered him to Paris, where he joined Le Nouvel Observateur. In 1974, when Mr. Hersant moved to buy Le Figaro, Mr. Giesbert wrote a vitriolic article

de titled "Citizen Hersant," which opened ominously: "This man is dangerous."

Mr. Giesbert, whose father was from Chicago but moved to France when his son was an infant, did a stint in Washington for Le Nouvel Observateur. He returned to Paris in 1981 to find the magazine slumping into an identity crisis. In 1985, he was named one of the two top editors and proceeded to make the magazine less political and more readable.

"I often have more respect for the American press than for the French press," he said, noting that too many French reporters regard



Franz-Olivier Giesbert outside the Paris offices of Le Figaro. Some editions of the paper are published under the title L'Aurore.

WORLD BRIEFS

Deaver Is Fined \$100,000 and Given 3 Years of Probation in Perjury Case

WASHINGTON (UPI) — Michael K. Deaver, the former White House deputy chief of staff and a longtime confidant of President Ronald Reagan, was sentenced Friday to three years probation and ordered to pay a \$100,000 fine for lying to a congressional panel and a federal grand jury about the lucrative lobbying he did after leaving the government.

"I think it was a very fair sentence — if I had been guilty," Mr. Deaver said immediately afterward. He also will be required to perform 1,500 hours of volunteer service and will be barred from lobbying the U.S. government during the three years of his probation.

Although both Mr. Deaver and his lawyers embraced each other in delight after Judge Thomas Penfield Jackson imposed the sentence on U.S. District Court, Mr. Deaver said later that he would appeal the sentence. Convicted in December on three counts of perjury, he could have been sentenced to 15 years in prison and fined \$200,000.

If Mr. Deaver decides not to appeal, that would reduce the pressure on Mr. Reagan to pardon Mr. Deaver, who has been associated with the president's political career for more than 20 years. Although Mr. Reagan has said he would not consider pardons until after the courts have acted, White House officials say Mr. Deaver is perhaps the most likely of all the administration aides who have been indicted to receive favorable consideration.

U.S. Consulate Bars a South African

JOHANNESBURG (AP) — U.S. officials said Friday that they turned away a black fugitive who sought to join on Thursday four escaped activists taking refuge at the U.S. Consulate.

The man denied refuge in the consulate was identified as Max Mankwana, 22, who was later taken into custody by South African police, according to his father, Barry Walkley, a U.S. Embassy spokesman. The man appeared at the consulate about 3 A.M. Thursday and appealed for refuge.

"While we have deep compassion for the conditions involved, it was clear in all parties that the situation did not correspond to that of the others granted temporary refuge," Mr. Walkley said. "The person voluntarily left the area."

Thatcher Trip Aids U.K.-Spain Ties

MADRID (Reuters) — Margaret Thatcher ended a historic first visit to Spain by a British prime minister on Friday. Her trip marked a warming of relations but left the two sides wide apart over Gibraltar and European Community policy.

At a business-like and low-key news conference with the Spanish prime minister, Felipe Gonzalez, Mrs. Thatcher described their four hours of talks over two days as "very good and profitable."

But they remained at an impasse in the centuries-old dispute over Gibraltar. Mrs. Thatcher remained adamant that the people of Gibraltar, who wish to remain under British sovereignty, must have a say in their future. But she expressed regret that Gibraltar authorities had barred an Anglo-Spanish deal reached last year to allow Spain to share its airport.

TRAVEL UPDATE

N.Y. Arrests 20 Cab Drivers in Scam

NEW YORK (NYT) — Twenty of 50 cabdrivers who pleaded to undercover investigators posing as visiting Asians were arrested for overcharging their passengers by as much as \$75 on trips from Kennedy International Airport to the World Trade Center in Manhattan.

The investigators, New York City police detectives, wore concealed tape recorders in an elaborate sting operation dubbed Operation Yellow Bird, after the color of the cabs. The arrested drivers were found to have overcharged passengers, billing from \$45 to \$110 for what should have been a \$30 to \$35 ride, officials said.

Officials said many of the arrested drivers had used electronic devices called zappers, to increase the fare by as much as 15 cents a second. In other cases, investigators said, drivers bilked their passengers for instant tolls of as much as \$30. Tolls are not registered on the meter.

All 20 drivers arrested Thursday were charged with petty larceny, a misdemeanor punishable by a year in jail. Three drivers who were found with electronic zappers also were expected to be charged with the possession of forged devices and scheming to defraud. Those are felonies punishable by as long as 11 years in prison.

A plan for a new rail station in northwest London, to handle traffic for the Channel tunnel that is scheduled to open in 1993, was subverted on Friday to British Rail by a private consortium of five companies. The companies were not named.

The North Atlantic Treaty Organization told civil aviation authorities on Friday that air congestion over Europe had been caused by an increase in commercial traffic and that military flights had not contributed significantly to the problem, which worsened sharply this summer. Civilian and military air authorities met for two days at the alliance's headquarters in Brussels to discuss solutions to the problem.

The British Broadcasting Corp. said two new transmitters on the Indian Ocean island of Malde would enable listeners in 14 East African countries to get clearer reception of its World Service programs from London beginning on Sunday. The transmitters will relay programs to Burundi, Djibouti, Ethiopia, Kenya, Madagascar, Malawi, Mozambique, Rwanda, Somalia, Tanzania, Uganda, Zaire, Zambia and Zimbabwe in English, French, Portuguese, Somali and Swahili.

Visitors wearing shorts and sports shoes will be barred from the Monte Carlo casino in an effort to re-establish its image as the most elegant gambling club in the world, Andre Saint-Mieux, president of the Societe des Bains de Mer of Monaco, which runs the casino, said Friday. (Reuters)

Clarification

A Washington Post-ABC News poll, described in an article Thursday, included some incorrect results based on data improperly processed by the firm hired to conduct the poll. The error produced flawed results on seven questions about such personal characteristics as experience, honesty, ability to be trusted in a crisis and ability to get things done. The Post had reported that Governor Michael S. Dukakis had made gains in popularity in those areas and was drawing close to Vice President George Bush. However, the poll results on those questions were flawed and should be discounted. The results for the overall voter preference question and all other questions in the poll were unaffected.

South Africa to Allow UN Unit Into Namibia

By Christopher S. Wren
New York Times Service

PRETORIA — South Africa said Friday that it would allow a United Nations technical team into South-West Africa to start planning the deployment of UN military and civilian personnel there once the territory's transition to independence begins.

Pretoria's gesture to visiting UN Secretary-General Javier Perez de Cuellar was announced by President Pieter W. Botha after a meeting between the two here Friday morning.

But Mr. Botha emphasized that the implementation of the UN's plan for black majority rule in the territory, also known as Namibia, remained contingent upon the withdrawal of Cuban troops from neighboring Angola.

Mr. Botha declined to confirm or deny reports that a summit meeting of regional leaders, including Mr. Botha, might be held soon.

Some diplomats in Pretoria think that a summit meeting could take place as early as the beginning of October. At a news conference with Mr. Perez de Cuellar, Mr. Botha turned aside the question by replying jovially, "I am always planning meetings."

Next week, negotiators from South Africa, Angola and Cuba will resume talks in Brazzaville, the Congo, about a timetable for the withdrawal of Cuban troops from Angola.

Italian and German Firms Accused Over Sales of Rocket Technology

By Joseph Fitchett
International Herald Tribune

PARIS — Italian and West German companies, skirting government embargoes, sold rocket technology in the mid-1980s that helped Argentina and Egypt, with Iraqi support, develop a medium-range ballistic missile, according to a new book.

The book is about Giovanni Agnelli, chairman of the Fiat industrial complex.

The missile, known as the Condor-2 in Argentina and the Badr-2000 in Egypt and capable of carrying nuclear or chemical warheads, is the target of Western concern about violations of the Missile Technology Control Regime.

Intended to prevent Third World nations from acquiring medium-range missiles, the pact was signed in 1987 by the United States, Italy, West Germany and four other leading industrial nations. Possible Soviet adhesion to it is to be discussed at a U.S.-Soviet meeting Monday in Washington.

Named in the book as key suppliers of the banned technology are West Germany's Messerschmitt-Bölkow-Blotom and Italy's SNIA, which became a subsidiary of Fiat last year but allegedly remained under suspicion as late as April 1988.

The missile also led to an abortive espionage operation in the United States last June, when Egyptian diplomats were caught trying to obtain the composite material known as "carbon-carbon" fiber matting for the rocket's warhead, according to the book. "Agnelli and the Network of Italian Power," by Alan Friedman, Milan correspondent of the Financial Times.

Mr. Friedman asserted that Reagan administration officials secretly held up technology sales to SNIA for four months this year because they suspected SNIA was still servicing the Condor project. The Italian company had supplied guidance and propulsion systems for the project between 1984 and 1986, when the embargo was already being applied informally.

A Fiat spokesman, describing Mr. Friedman's book as "distorted," said that it was "normal for the Pentagon to want to double-check that SNIA had ceased any questionable activities" before letting it do work on the Strategic Defense Initiative.

A U.S. official investigating SNIA is quoted as saying that when Mr. Agnelli is "told about some subsidiary doing something wrong, he will act to clean it up."

PARIS — French officials said Friday that France had made no changes in its plans to develop the Hades tactical nuclear missile, but they did not comment directly on a published report that President Francois Mitterrand might shelve

Hades in exchange for deep cuts in Soviet forces in Europe.

Privately, officials confirmed that Mr. Mitterrand was weighing the possibility of holding up on the missile, but said that he could postpone making any such proposal along these lines for several months.

In their public comments after the International Herald Tribune reported Friday that France was exploring the idea of delaying development of the Hades for two or three years, officials reiterated France's opposition to any discussion of the French nuclear deterrent in negotiations on conventional arms in Europe. The East-West negotiations are to be held in Vienna, possibly by the end of this year.

A French official close to Mr. Mitterrand, who asked not to be further identified, said Thursday that France might, without negotiating, delay development of the Hades as "a form of leverage" to pressure the Soviet leader, Mikhail S. Gorbachev, to deliver on his stated readiness to eliminate Warsaw Pact military superiority in Europe.

The newspaper Le Monde noted Friday that Mr. Mitterrand already had publicly linked nuclear and conventional arms when he urged NATO nations in the spring to delay modernizing the alliance's nuclear weapons in Europe for two or three years, enough time to judge Soviet behavior in talks on conventional forces.

Postponing Hades, French military specialists said Friday, would fit Mr. Mitterrand's position in favor of reducing all the remaining tactical nuclear weapons in Europe. These arms have encountered political opposition in West Germany. Mr. Mitterrand announced his position after the signing in December of the treaty eliminating U.S. and Soviet intermediate-range nuclear forces.

In addition, the most likely option for deploying the Hades by its target date in the mid-1990s, an expert noted, would involve equipping it with a neutron-bomb warhead, the weapon that aroused fierce public protests in West Germany when the United States proposed building it.

French officials have acknowledged for several years that France has the technical capability to make a neutron bomb.

"It would appear doubly provocative to West Germans if France built the Hades, which would hit West German territory in war, and if France built the neutron bomb to do so," a military expert said.

Defense Minister Jean-Pierre Chevènement, in a magazine interview published Thursday, reaffirmed France's commitment to the Hades, but added that France's nuclear deterrence would increasingly depend on missile-carrying strategic submarines.

French Officials Deny Shift on Hades Missile

PARIS — French officials said Friday that France had made no changes in its plans to develop the Hades tactical nuclear missile, but they did not comment directly on a published report that President Francois Mitterrand might shelve

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It's a Standoff As Candidates Match Rallies

New York Times Service BOSTON — Vice President George Bush swooped into Michael S. Dukakis's territory...



... Mr. Dukakis responded with his own crime fighters.

Survey Shows Bush Leading Dukakis on Issue of Defense

By E.J. Dionne Jr. WASHINGTON — Vice President George Bush leads Governor Michael S. Dukakis of Massachusetts in two polls...

THE HUSTINGS

Bush Stresses Military Technology

HOUSTON (NYT) — Vice President George Bush has proposed that the United States seek to counter the Soviet Union's advantage in conventional forces...

Debaters Agree on Questioners

WASHINGTON (NYT) — The campaigns of Mr. Bush and Mr. Dukakis have agreed on whom they would allow to ask questions Sunday night...

Cuomo Implies He Won't Run in '92

NEW YORK (AP) — Governor Mario M. Cuomo of New York says he probably will seek re-election in 1990, and if he does, it would virtually rule out a possible presidential campaign in 1992.

Senate Candidate Rejects Drugs Link

WASHINGTON (WP) — Former Governor Charles S. Robb of Virginia, saying he is "absolutely indignant" about efforts to connect him with illegal drugs...

Reagan, in Texas, Attacks 'Liberals'

HOUSTON (NYT) — President Ronald Reagan campaigned Thursday through Texas, trying to drive a wedge between the state's conservative Democrats and the national party leadership.

Quayle Cites Monroe Doctrine Foreign Powers Warned on Interfering in Hemisphere

By B. Drummond Ayres New York Times Service LOS ANGELES — Senator Dan Quayle of Indiana has delivered the most substantive foreign affairs speech of his 1988 vice presidential campaign...

Where and When to Follow the Debate

International Herald Tribune Where to see or hear the debate Sunday night between Vice President George Bush and Governor Michael S. Dukakis...

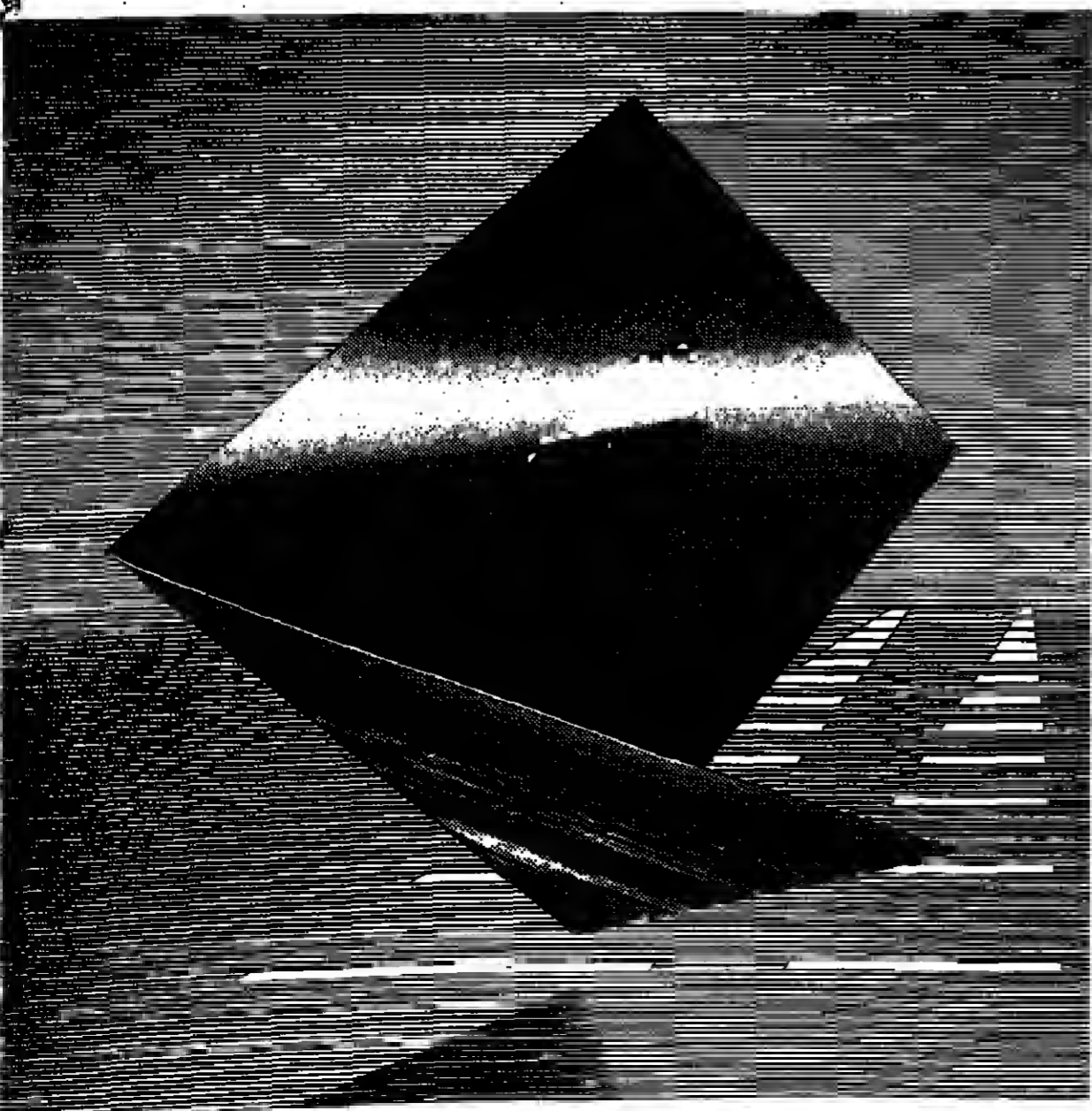
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Southeast Asians Plan Action in UN to Block Khmer Rouge Return

By Paul Lewis
New York Times Service

UNITED NATIONS, New York — Southeast Asian nations, suspecting that the Khmer Rouge are preparing to seize control of Cambodia again, are planning new action at this year's General Assembly aimed at forestalling a Khmer Rouge return to power, according to diplomats from these countries.

The six members of the Association of South East Asian Nations — Singapore, Malaysia, Thailand, Indonesia, Brunei and the Philippines — want the General Assembly to declare that a Khmer Rouge takeover would be unacceptable to international opinion because of the massacres and other atrocities the Khmer Rouge committed before being driven from power in 1978, when Vietnam invaded Cambodia.

Vietnam, which is under Soviet pressure to withdraw from Cambodia as part of Moscow's new policy of extricating itself from regional conflicts, said earlier this year that by the end of 1988 it would remove 50,000 of the roughly 120,000 soldiers it is believed to have stationed in Cambodia.

But three months before its own deadline, it has made no visible preparations for withdrawal, Cambodian and other Asian diplomats say, arousing fears that it plans a swift evacuation at the end of the year that will create a power vacuum the Khmer Rouge will then try to fill. Some reports in the West, however, dispute the diplomats' claim. For example, Vietnam reportedly withdrew 20,000 troops late last year, this year, Hanoi's top commander returned to Vietnam.

Meanwhile, these diplomats say the Khmer Rouge, the best armed of the three factions opposing the Vietnam-backed government of Hun Sen in Phnom Penh, has begun to flex its muscles.

The ASEAN countries, which sponsor the General Assembly resolution on Cambodia each year, suspect Vietnam may even encourage the Khmer Rouge to make a new bid for power to assure that Hanoi's withdrawal from Cambodia leads to renewed strife. Any new surge of unrest in Cambodia could serve as a pretext for Vietnam to slow or even reverse its withdrawal, diplomats say.

"This year's resolution has the double objective of saying we don't want the Khmer Rouge back in power and we don't want Vietnam to use the prospect of the Khmer Rouge regaining power as an excuse for staying in Cambodia," said Singapore's UN representative, Kishore Mahbubani.

Last week, the U.S. Senate and House of Representatives passed resolutions supporting the ASEAN countries in their effort to get the United Nations to condemn any attempt by the Khmer Rouge to return to power.

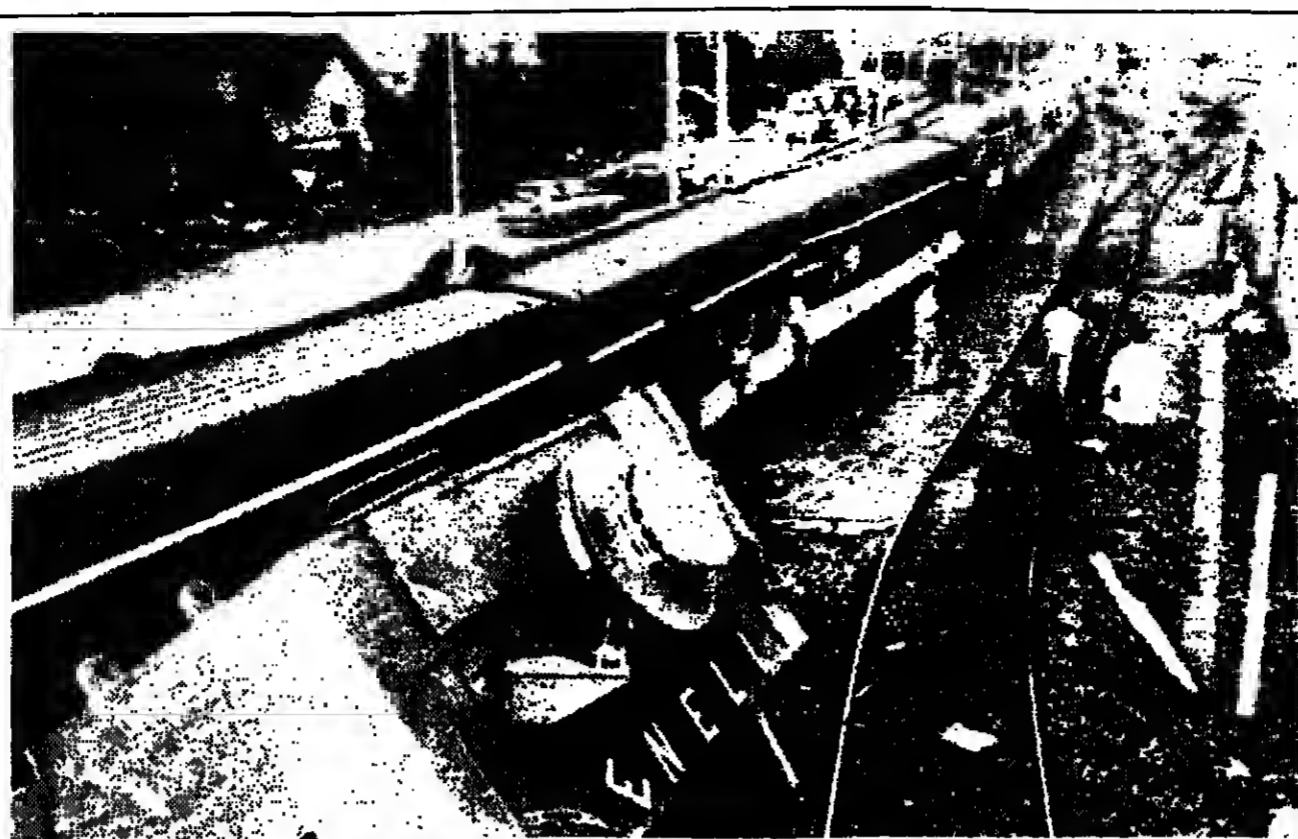
ASEAN representatives at the UN are asking the 63 developing and Western nations, which co-sponsored their resolution last year that condemned Vietnam's invasion of Cambodia, to endorse a new version that contains language directed against the Khmer Rouge.

Cambodian and other Asian diplomats say tension has been increasing in recent months between the Khmer Rouge and its two non-Communist coalition partners, the forces loyal to Prince Norodom Sihanouk and those loyal to former Prime Minister Son Sann.

Cambodian opposition diplomats say the most recent incident occurred on Sept. 6, when 300 Khmer Rouge troops attacked a combined unit from the other two opposition groups, killing 50 soldiers.

Paris May Organize Talks

France has agreed to sound out countries involved in the Cambodian conflict on convening an international conference in Paris, Prince Sihanouk said Friday, Reuters reported from Paris. He said consultations would take several months.



FRENCH RAIL ACCIDENT — The conductor of one of France's crack TGVs was killed in Voiron, in the Alps near Grenoble, when the high-speed train collided Friday with a stalled tanker truck at a crossing near the city railway station. About 50 passengers were injured, but none seriously, as several cars were knocked off the tracks. The train was moving slowly as it entered the station.

BURMA: Opposition Vows Unity Amid a Crackdown China Offers To Talk With Dalai Lama

(Continued from Page 1)

mandated a halt to arrests of pro-democracy students and Buddhist monks. He did not address those issues in his speech.

No demonstrators have marched in the capital since Monday, after two months of daily demonstrations drew millions onto the streets.

"It looks as if they've effectively established military control," a Western diplomat said of the situation in Rangoon. "They just overwhelmed them with firepower."

The government also said it broke up protest centers in the second-largest Burmese city, Mandalay, and at least 94 other towns, forcing student and other protest leaders underground.

U.S. Cuts Off Aid

The United States has cut off aid to Burma in displeasure with the military crackdown and killing of demonstrators, the Washington Post reported earlier from Washington.

The U.S. State Department announced the cutoff on Thursday "in light of the unsettled political conditions in Burma" and expressed hope that aid can be resumed soon.

Officials said the action, involving only \$12 million this year, was taken as the Burmese military appeared to be consolidating its hold on Rangoon.

Aid to Burma for the fiscal year 1988 amounted to \$14.3 million, including \$7 million in development assistance, \$7 million in assistance for anti-narcotics programs and \$260,000 for military training.

The State Department said that emergency humanitarian assistance would continue.

The U.S. ambassador to Burma, Burton Levin, presented a note to Burmese military authorities Tuesday saying that the solutions to Burma's political problems lie in discussions with opposition leaders rather than in violence against protesters, a government official said.

The United States has also been calling for the military to fulfill its promise of an early move to multiparty democracy, but officials conceded there was no clear indication that this was a prospect.

U.S. and Russia 'Closer' To Agreement on Talks On Conventional Arms

WASHINGTON — Secretary of State George P. Shultz and the Soviet foreign minister, Eduard A. Shevardnadze, said on Friday that they had made progress on issues blocking the start of conventional arms negotiations.

But Mr. Shultz said that after two days of talks he and Mr. Shevardnadze had not made any substantial advancement on resolving differences over the 1972 Anti-Ballistic Missile Treaty and reducing strategic nuclear weapons.

However, Mr. Shevardnadze said that the U.S. and Soviet positions had "become closer on the mandate of future negotiations" on conventional weapons. At the end of a meeting with President Ronald Reagan, Mr. Shevardnadze said the decision on a mandate for those talks must be decided in NATO-Warsaw Pact negotiations in Vienna.

"We believe that now we have a good basis to move toward having a mandate for those negotiations," he said.

Mr. Shevardnadze spoke after an hour-long meeting with Mr. Reagan.

The start of new negotiations on reducing conventional arms in Europe has been hampered because of what the United States and its allies consider unsatisfactory Soviet and Romanian progress on human rights.

In welcoming Mr. Shevardnadze to the White House, the president said there had been "sizeable progress" on nearly all subjects in the U.S.-Soviet talks.

"On virtually every subject we have discussed, we have made sizeable progress," Mr. Reagan said as he posed for pictures with Mr. Shevardnadze before their meeting.

Mr. Shevardnadze was in Washington on Thursday and Friday for what is expected to be the last round of talks with Mr. Shultz on issues control, human rights, regional issues and bilateral issues.

The Soviet minister, who previously had said superpower relations were entering a dynamic period under Mr. Reagan and the Soviet leader, Mikhail S. Gorbachev, said: "We have a good relationship and we have been able to achieve much."

Earlier, the State Department, responding to congressional concerns that Mr. Reagan might conclude an interim strategic arms accord with the Soviet Union, rejected the idea of such an agreement.

"Anything that's being talked about would not in any way qualify as an interim agreement," said the State Department spokesman, Charles E. Redman.

He said that U.S. and Soviet officials were discussing the possibility of entering out certain components of a treaty but that these were far from being concluded.

PLO: Declaring State Is Near

(Continued from Page 1)

I think a resolution from our council will be taken to declare our Palestinian state.

"And after that we will tell the United Nations that our state is occupied and it is the duty of the UN to come and form a temporary protection," he said.

"Most probably a decision will be taken to form a government, a Palestinian government, but in the proper time, not instantly."

Mr. Habash said he expected the Reagan administration to use its veto in the UN Security Council to block UN protection for the state.

"If this UN protection is practically impossible," he said, "we will say we are ready to declare our own state and form our provisional government."

Asked if the declaration of a Palestinian state tacitly acknowledged Israel, Mr. Habash said: "No, not necessarily."

Some moderate Arab nations, notably Egypt, have sought to persuade Mr. Arafat to offer political incentives to both the United States and Israel to overcome their rejection of his organization.

Washington has said it will not talk to the PLO until it accepts this, and until it renounces the use of terrorism.

Palestinian analysts in Damascus have said they fear Mr. Arafat is moving too quickly toward such a position, without guarantees that the United States and Israel would respond to such blandishments.

In private conversations, some Palestinian commentators have suggested that Mr. Arafat may be acting without a consensus either among his followers or among Arab states.

Asked if he believed the PLO would soften its line without guarantees, Mr. Habash said: "There will be no free concessions to Israel or the Americans."

Moreover, he said, the Palestine National Council would reaffirm the PLO charter, demanding the destruction of Israel and the right of Palestinians to return to the homes they lost when the state of Israel was formed in 1948.

"I am from Lydda," he said, referring to the town of Lydda, which he called Lydda. "As long as I have no right to go to Lydda, and live in Lydda, the Palestinian problem is not solved in my opinion."

"We as Palestinians want Israel to withdraw from the West Bank and Gaza," he said. "This will solve a problem for the great masses who live there. But we will be misleading ourselves if we believe that this will solve the Palestinian problem."

RACE: Target for Debate

(Continued from Page 1)

that group when it comes to environmental issues.

The sharpest differences between each man's most and least committed supporters are found in these same areas. While almost 8 out of 10 firmly committed Dukakis voters say that their choice would be better at keeping the peace, barely half of those who might switch to Mr. Bush agree.

The compassion issues have a similar effect in differentiating weak from strong Bush supporters, and so do doubts about the Republican nominee's ability to deal with the budget deficit. While 8 out of 10 of firm backers of Mr. Bush say he would do a better job of dealing with the deficits, only half of those who are wavering in their support of him agree.

On a dozen other issues tested in the poll, each man's shaky partisans rate him better than his opponent, but the difference in their scores suggests other areas of vulnerability in the debate.

Mr. Bush has clear advantages among the swing voters on overall leadership ability, keeping the peace, controlling inflation, holding down taxes and avoiding a nuclear war.

Mr. Dukakis has a clear edge in this group on protecting Social Security, curbing unemployment, reducing the deficit and improving education.

The swing voters rate them about even on combating drugs, maintaining high standards of ethics in government and improving America's competitive position in the world economy.

ARMENIA: Gorbachev Dilemma

(Continued from page 1)

movement is also making great strides, local Communist leaders have made their peace with the independents. It is sometimes hard to tell who is co-opting whom in Estonia, but the party is clearly along for the ride.

Mr. Gorbachev is now viewed in Yerevan with open disdain. Armenians will not forgive him for refusing to cede Nagorno-Karabakh, and many blame him for creating a climate that invited physical violence against Armenians.

It is probably also too late for concessions.

Moscow has given some ground on Nagorno-Karabakh. The region is now virtually under the political control of an emissary from Moscow, not Azerbaijan.

U.S. officials said Friday in Washington that they were very concerned that the failure to elect a Lebanese president could lead to an upsurge of violence and the danger that Lebanon would be partitioned, Reuters reported.

"We urge maximum restraint," said a State Department Middle East expert, speaking on condition that he not be identified.

He said the U.S. government hoped that a new round of violence could be avoided and a unified government quickly selected.

If that does not happen, he said, the country could be partitioned within a few days.

He said the United States would remain in contact with the rival Lebanese governments and would press for early presidential elections and encourage reconciliation between Lebanon's rival factions.

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In Haiti, Fear of 'Tontons' Terror Tactics Make Comeback

By Joseph B. Treaster
New York Times Service

PORT-AU-PRINCE, Haiti — Three weeks ago, a band of thugs who are widely being referred to as Tontons Macoutes, invaded a Roman Catholic church here during a Mass, carrying machetes and guns. They killed a dozen parishioners, wounded 77 others and set the church afire.

The stunning assault recalled the massacre here in November and was taken by Haitians as a clear declaration that President Henri Namphy, who was overthrown last weekend, was returning to the tactics of terror and intimidation that had been the hallmarks of the long Duvalier dictatorship that collapsed nearly three years ago.

The terrorists are no longer formally organized as Tontons Macoutes. General Namphy, as head of a provisional government, officially disbanded that organization, shortly after Jean-Claude Duvalier fled into exile.

But many of the same people are believed to be involved and their brutish manner is unchanged. They have continued to function as a secret society. But there appear to be several groups of thugs now, rather than a single force, and leadership is blurred.

The new groups have not given themselves a name, but since they behave like Tontons Macoutes, that is what most Haitians call them. In addition to former Tontons Macoutes, members include former soldiers and new recruits willing to commit any crime for a few dollars.

In Haitian creole, Tontons Macoutes literally means "Uncle Knapsack," but the connotation is of a sinister "honeyman." Their founder, François Duvalier, and his son, Jean-Claude, had officially called them Volunteers for National Security, but Tontons Macoutes was the name by which they were universally known.

Since the coup d'etat that brought Lieutenant General Prosper Avril to power last weekend, mobs have been hunting down Tontons Macoutes and lynching them in the streets, sometimes burning them alive.

Soldiers who once seemed allied with the Tontons Macoutes have been seen standing idly in mobs and sometimes have even handed over Tontons Macoutes to the mobs.

The same mob action took place when General Namphy officially disbanded the Tontons Macoutes. Yet less than two years later they began reappearing to terrorize Haitians again as the elections approached in late 1987. Many have



Colonel Jean-Claude Paul, who is under indictment in Florida on drug-trafficking charges, leaving army headquarters and about to enter a car in Port-au-Prince, the Haitian capital. According to some Haitian reports, the colonel has been named head of the army.

now reportedly gone into hiding again. Whether General Avril will take steps to prevent their re-emergence in the future is among many unanswered questions as he struggles to consolidate his hold on power.

While General Avril was a trusted aide to the Duvaliers, he is not believed to have had a close relationship with the Tontons Macoutes.

Franck Romain, the mayor of Port-Au-Prince, who had been an army officer with close ties to the Tontons Macoutes during the Duvalier years, was privately accused of directing the attack on the church and was widely believed to be working in support of General Namphy.

Mr. Romain, who has taken refuge in the Dominican Republic Embassy, and General Namphy, who is in exile in the Dominican Republic, have denied any part in the church attack. But it was universally seen as a deliberate attempt to silence an outspoken pastor, the Reverend Jean Bertrand Aristide, and his St. Jean Bosco Church, and to intimidate other critics and rivals.

Noncommissioned officers in the presidential guard who played a prominent role in deposing General Namphy say their action was precipitated by General Namphy's reliance on the Tontons Macoutes and the attack on the church.

When François Duvalier founded the Tontons Macoutes shortly after he came to power in 1957, his purpose was to create a counterbalance to the army, which has been the kingmaker over most of Haiti's history. The army trained and equipped the Tontons Macoutes, and soon became subordinate to the new force.

Haitians say that as General Namphy found himself with fewer allies, he drew closer to Mr. Ro-

main, who in turn is said to have recruited thugs. Haitians with contacts in the military said that among the soldiers in the presidential guard, concerns about General Namphy's use of thugs to control the army be-

came more pointed when General Namphy discovered on Sept. 16 that the soldiers had been talking about overthrowing him.

General Namphy questioned several soldiers, a soldier said, and Mr. Romain came to the palace with two thugs to make arrests. Two soldiers struggled to resist being handcuffed, he said. Shots were fired and the coup was under way.

AMERICAN TOPICS

Evangelicals Score In Pro Sports World

Every major league baseball team has permitted religious services in the clubhouse for the past 10 years or more, the Los Angeles Times reports. Ministries have become well established in professional football and basketball as well.

The ministries are predominantly evangelical, fundamentalist Protestant. "I would think all of our chapel coordinators are born-again Christians," said David Swanson, national director of Baseball Chapel Inc. So are most of the prominent athletes known for their testimonies of faith, like the former basketball star Julius Erving, the former football star Roosevelt Grier, Tom Landry, coach of football's Dallas Cowboys, and Carl Lewis, who knelt in prayer after winning the 200-meter race in the 1984 Olympics.

Mainline Protestants, Roman Catholics and Jews have limited visibility in sports. One reason cited for this, the Times said, is that they tend to urge people to go to church, while evangelicals offer specialized ministries for particular groups. For another, said the Reverend Charles Doak, a Presbyterian minister, mainline churches tend to emphasize com-

munity welfare and shared responsibilities, rather than the evangelical emphasis on the individual.

Evangelical ministers and players alike emphasize that they pray to do their best, not to win. "It's stupid to ask God to take sides," one minister said.

Short Takes

The U.S. House of Representatives has voted to make it easier for federal agencies to move their headquarters from Washington to nearby Virginia and Maryland to take advantage of lower leasing and other costs. Current law requires most federal agencies to locate their "principal offices" within the city limits of Washington, contiguous with the District of Columbia. Under the new bill, approved by voice vote, this restriction would apply only to the 13 principal cabinet agencies, like the Treasury, Transportation and State departments. Washington's Mayor Marjorie Barry opposes the change, and its fate in the Senate is uncertain.

One office already moving from city to suburbs is that of former President Richard Nixon. He is giving up his 10-room suite in downtown Manhattan for a building within walking distance of his Saddle River, New Jersey, estate. The rent will cost U.S. taxpayers \$137,800 a year, or \$200 more than his New York office. Mr. Nixon, 75, had grown tired of commuting for as long as two and a half hours a day, his

chief aide, John Taylor, said. "President Nixon loves New York," Mr. Taylor added. "We wish to avoid the impression he is removing himself from the maelstrom of the fast track."

Rocking chairs, rolls of mattress ticking, checked cotton and other old-fashioned items are on sale at the "Polo Country Store," a boutique in the Ralph Lauren store in mid-Manhattan. The New York Times says the store is for "city-dwellers who might want to get the down-home country experience, complete with the scent of pine and cedar, without leaving town or muddying their boots." The prices are hardly old-fashioned: 19th century-style quilts start at \$575, hooked runners at \$350, shearing-lined slippers at \$100 and twig brooms at \$85. "You think this type of store is in Vermont or New Hampshire," Mr. Lauren said. "But go up and try and find it—it's just not there."

McDonald's Corp., the fast-food chain that once stopped a New York eatery from calling itself McBagel, has blocked Quality Inns International from using the name "McSleep Inns" for a new chain of cut-rate hotels. In Baltimore, U.S. District Judge Paul Niemeyer said the "Mc" amounted to trademark infringement. Quality Inns responded by changing the name of its new chain to "Sleep Inns."

Arthur Higbee

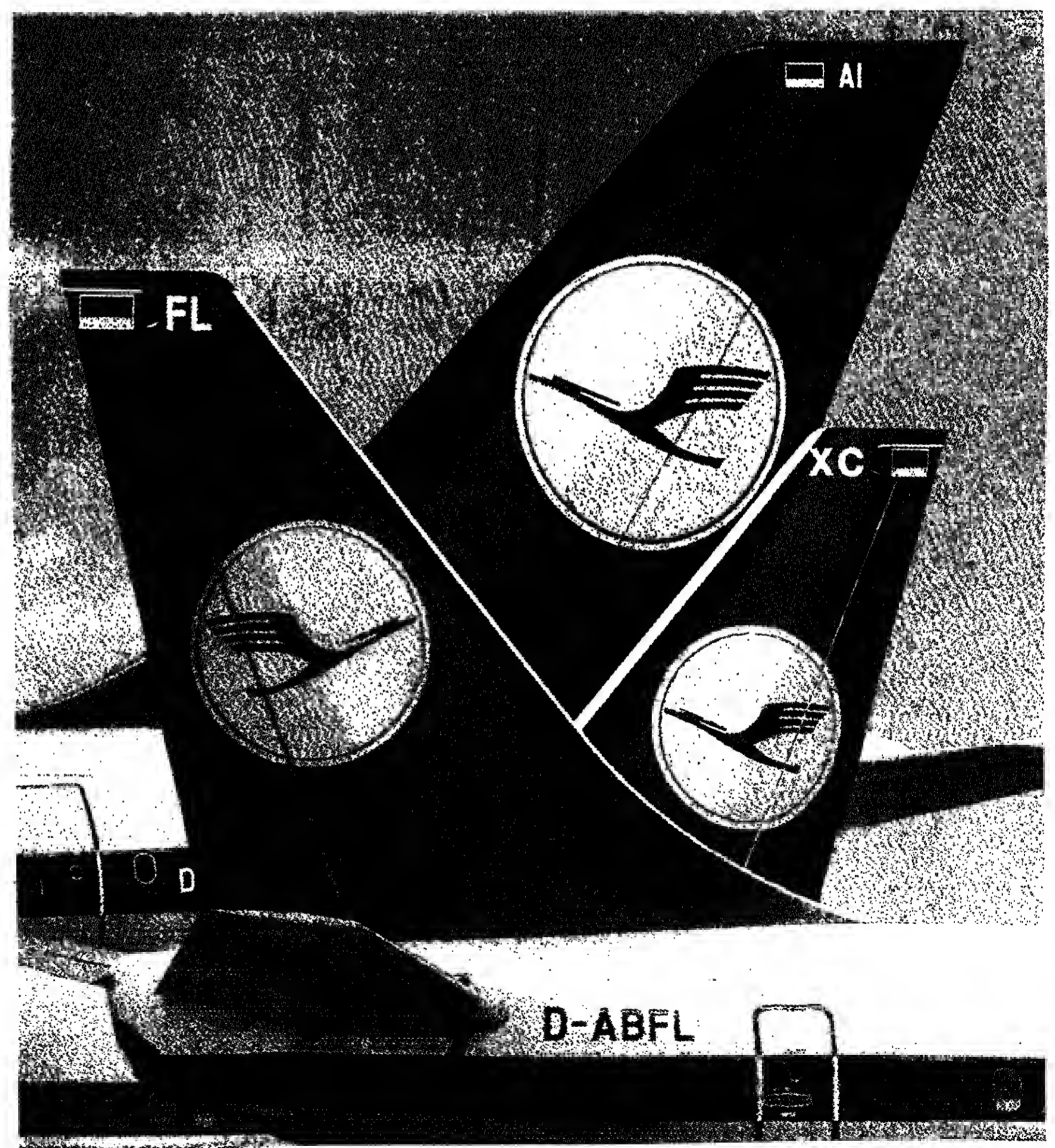
State Is Near

Malcolm X and his wife, Betty, are moving to New York City. They are expected to arrive in the city in the next few days. The move is being made in order to be closer to the city's African American community. Malcolm X has been active in the city's civil rights movement and has been a vocal critic of the government's policies towards the black community. Betty is also an active member of the community and has been involved in various social and political activities. The move is expected to be a significant event in the city's history.

Debate

The debate over the role of the federal government in the economy continues. Some argue for a more active role, while others argue for a more limited role. The debate is particularly heated in the current economic climate, as many Americans are struggling with unemployment and inflation. The government's policies are being scrutinized more closely than ever, and there is a growing demand for transparency and accountability. The debate is expected to continue for some time, as the government seeks to find a way to address the country's economic challenges.

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OPINION

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

The Haitians Still Hope

Haiti suffered through another coup last weekend only to sink into new turmoil. One general had barely replaced another when soldiers mutinied, workers struck and killing returned to the streets. Yet the soldiers who engineered the coup appear to share with the public a wish to rid Haiti of the brutal, arrogant daily lawlessness. The Haitians, for all their desperate poverty, have not given up. Haiti's best hope now lies in the fact that Lieutenant General Prosper Avril is smarter and more pragmatic than his predecessor, Lieutenant General Henri Namphy. If General Avril can establish his power, his next goal is likely to be restoring the American aid Haiti desperately needs. The aid ended when elections were aborted in November. Getting it back will require credible steps toward democracy. First, however, must come some modicum of order. General Avril's best move to re-establish it would be to support the soldiers trying to oust officers who have brutally quashed trade union activities and killed opposition leaders. He also will have to listen to those in the streets who want justice done in the cases of men like the mayor of Port-au-Prince, Franck Romain, said to be responsible for the gruesome slaughter of a dozen worshippers during a church service on Sept. 11. As for democracy, Haiti's political reformers have welcomed General Avril's early pledges on human rights and national reconciliation, and his choice of a largely civilian cabinet. But they remain cautious. Since the end of Duvalierism in 1986, they have been rewarded with little but coups and sham elections. In any case, restoring Haiti's constitution will require more than speeches and appointments. General Avril ought to bring the army and the opposition together to talk, set dates for elections and provide the security to make them genuine. Meanwhile, General Avril will have to steer clear of sharing power with Colonel Jean-Claude Paul, who has been indicted on drug-trafficking charges in the United States. General Avril wisely did not appoint Colonel Paul to head the armed forces, as some had predicted, but the colonel continues as commander of a key military unit and his future remains open. As for the impoverished Haitians' future, it is hard to be optimistic. The new constitution was trampled before it ever took life. Attempts at elections have drowned in blood. For now Haitians hope depend on how well General Avril can restore the order on which freedom, and U.S. aid, depend. — THE NEW YORK TIMES.

Wright Was Out of Line

The statement by House Speaker Jim Wright on the CIA — that the agency had admitted to a role in sparking anti-Sandinista protests in Nicaragua to provoke the Sandinistas into overreaction that would kick back on them — has had these results: First, the statement is a savage blow to the Nicaraguan civil opposition — the legal political opposition — and especially to the 38 Nicaraguans who were arrested July 10 in a peaceful protest at Nandaimé and who now face trial. The worst political thing that can befall an opposition figure there is to be accused of being a CIA agent rather than a self-starting democrat. You will recall that Mr. Wright and others of his persuasion successfully deflected the charges, reducing the military option of the resistance in the near-disappearing point, precisely to give a chance to a democratic political process. The statement also has implications for American efforts to extend a hand to local democratic forces elsewhere. It becomes easier in, say, South Africa, Poland or Chile for unrepresentative governments to embarrass citizen challengers who have even the slightest and most innocuous contacts with foreign well-wishers. The statement may hurt the pending bill to tighten the terms of executive notice to Congress of covert operations — a bill supported by the speaker that the executive branch and conservatives have fought on the ground that Congress cannot keep secrets. Mr. Wright suggests that, when he spoke, the Nicaraguan resistance and The Washington Times were already putting the allegation of a CIA hand into the public domain and that other news organizations had made similar reports. But this explanation fails to consider either the particular confidentiality obligations of an elected official or the crucial authority that a congressional figure can add by his confirmation. Mr. Wright dates his abhorrence of CIA "destabilization" to the case of Salvador Allende in Chile in 1973. His likening of the Sandinistas to an "elected government" that represents the choice of the people, however, is laughable, or would be if the effects of his intervention were not so serious. That leaves the question of whether the CIA actually was behind that July 10 rally, something it would have been incredibly stupid to do. The U.S. government stands on a customary and necessary refusal to confirm or deny such charges. Public testimony in Congress absolves the government. Mr. Wright has his own view. — THE WASHINGTON POST.

Strauss's Shocking Truths

Robert Strauss, the prominent Democrat, was speaking simple truth. The way to shrink big budget deficits, he said, is to look for savings in the biggest programs, "because that's where the money is." He hinted that the National Economic Commission, of which he is co-chairman, might cast its eye on Social Security. And that Social Security being sacred at election time, produced a flaming reaction. What political perversion: a presidential campaign is just when the country most needs and expects to consider harsh federal facts, yet when someone dares even mention them, he is denounced. The National Economic Commission was created to devise a bipartisan deficit reduction plan that could be embraced by the next president and Congress. The point was to neutralize politicking over touchy issues like Social Security and taxes. Mr. Strauss thought that he was only telling "the cold, hard truth," which the public is entitled to understand. But he touched sensitive nerves. The Bush and Dukakis campaigns, as well as two of Mr. Strauss's fellow Democrats on the commission, quickly jumped on him. The commission has not tried to reach any conclusions on spending cuts yet, even tentatively, and has not even begun to look at possible sources of added revenue. Indeed, it still has two key vacancies; another Democrat and another Republican will be named by the president-elect in November. Then Mr. Strauss and the Republican co-chairman, Drew Lewis, will try to forge final recommendations by late December. The flap over Mr. Strauss's remarks, at a Washington economic conference, illuminates political posturing at its worst. Candidates Bush and Dukakis are unwilling to contemplate touching one hair on Social Security's head. They are just as unwilling to talk about revenue. Detached students of government agree that substantial deficit reduction will require adding revenue as well as reducing spending. And there is a common suspicion that November's winner — whoever he is — will come around once safely in office. Mr. Strauss, one of Washington's savviest political hands, said of Mr. Bush's public stance: "I know George Bush, and I know he knows better." In laying out nonpolitical facts that the presidential candidates won't discuss, Mr. Strauss was simply telling the truth. The candidates, meanwhile, continue to pretend. — THE NEW YORK TIMES.

Time to Meet the Press

There are 168 hours in the week. The presidential candidates, so far as anyone can tell, spend about 169 of them posing in front of bokey backdrops, perfecting their sound bite of the day, and huddling with advisers, pollsters and drama coaches as they plan their next cameo appearance. George Bush has been especially insulated from press inquiry in the campaign. Reporters traveling "with" him are essentially penned off from contact not just with Mr. Bush but with his aides and even his spokesmen. The vice president is kept at shouting distance from journalists, and he does not make himself available to them in press conferences. Mr. Bush essentially is under heavy guard, as if he or his assistants or both were afraid of letting him enter the ordinary give-and-take of encounters with the press. Michael Dukakis, at first more accessible, has begun getting scarier. We are aware that there are few complaints to which people listen with less sympathy than those that emanate from a press that considers itself wounded. But there is much more than journalistic resentment at issue here. In an age of public

Handy Tips For Scoring The Shootout

By William Safire

WASHINGTON — Reams of copy offering sage advice on debating technique will be directed at both candidates before they climb into the arena in Winston-Salem, North Carolina, on Sunday. Not in this space. But the individual viewer years for criteria by which to judge the contest and resist the "spin control" of partisan opinion-manipulators. In the light of that, this pundit shall not flag or fail. Neither of the participants is likely to score a knockout, but one might win on points, as Walter Mondale did in 1984's opener (and a lot of good it did him). Here is a handy-dandy debate scorecard designed to transform the most cottage-fried couch potato into an eyes-narrowed participant in the democratic process. 1. Stage presence. A would-be leader of the free world should not appear uncomfortable standing in front of his constituency. We do not elect presidents to transmit what Franklin Roosevelt called "fear itself." A slight nervousness in the face is permissible, becomingly human, but after the first round any verbal gaffes or outbursts of sweat on the upper lip are a sign of crumble cave-in. For the contestant better able to put us at our ease and instill confidence, score one point. 2. Willingness to focus on the topic. If the question is about advice to the president about ransom payments and the answer implies affirming the need for confidentiality of advice (or includes the words "indivisible, under God"), the other guy gets the point; same if the question is about immediate modernization of America's vulnerable missiles and the answer slips innuendo into "Congress or money for the schools." 3. Ability to pounce on a mistake. In the one-minute rebuttals in the two-minute answers, the tendency will be to repeat often-made attacks on the general subject. Watch for the rebuttal able to listen to the other man's answer, select something specific and use that as a springboard for a quick riposte. Ripostemanship must be alert, not canned. 4. Omnidirectional answering. The best answers



will (a) respond directly to the reporter, then (b) react out in the viewers with a key campaign theme and (c) include a challenge or must-be-defended shot at the rebuttal that will take time from his counterpart. The most adept "panel debater," like the best pool player, leaves his opponent with a difficult shot. 5. Trap-setting. Mr. Mondale's handlers adeptly set up Mr. Reagan for a prepared rebuttal, which showed sophisticated planning. Panel debating requires holding a counterblast until the end of your two-minute response, thereby demonstrating a long attention span as well as an ability to carry a grudge, both useful in the Oval Office. 6. Lead-setting. Which man has the wit to depart from the tried-and-true despite demands from his nervous handlers to play everything safe? A new position, a fresh (but good-humored) attack or a slam-bang locution growing out of the occasion provides a sight-bite that would influence the second wave of "influential" reaction. 7. Using the gracious stiletto or the boomeranging bludgeon. Subtract a point for any candidate who oversteps the line of forced civility. Mr. Nice Guy loses on the campaign trail but Mr. Wise Guy loses in the TV studio. "There he goes again" is the outer limit of imputing deliberate falsification. The candidate who questions the other's "judgment, not patriotism" in the other's presence invites an increased reaction that will draw sympathy to the victim (unless he seems to be whining, in which case give the point to the slugger). Score one point for aggressiveness, deduct two for excessiveness. 8. Subliminal trigger-pulling. Count the times Mr. Dukakis uses the words "tough" and "strong," versus the number of mentions Mr. Bush gives "liberal" and "leadership." Award a point to the man who resists programming and uses fewer obvious advertising triggers. 9. Trust. Set aside the tricks, the looks, the footwork, the catch phrases; score five points for the one who makes you feel more comfortable with his thumb on the button. Coolness, grace, character; intelligence, gravitas, originality; experience, charisma, ideology; all these count, but no computer can fathom the mystery that goes into the bonding between the leader and the led. For undecided millions, that bond will begin to take hold Sunday night; clip this scorecard and be part of it. The New York Times.

Americans Are Behind On Vietnam

By Jim Hoagland

PARIS — Culturally, Americans are beginning to exorcise the bitterness and divisions of the Vietnam War. But politically, the quagmire remains. American officials and politicians lag behind the people in dealing with the aftermath of the U.S. defeat in Vietnam. The leaders need to recognize the change that is occurring both in America and in Southeast Asia, and to catch up with their followers. The swelling tide of successful books and films about the American experience in Vietnam speaks eloquently to the cultural point. The wide interest that is being stirred by the arrival of Neal Sheehan's brilliantly reported book on Colonel John Paul Vann, "A Bright Shining Lie," is the latest sign of this eagerness to re-examine the Vietnam experience and its meaning. Another is the broad acceptance of a film like "Good Morning, Vietnam," which was praised from American hawks and doves alike. Such developments do not and should not drive diplomatic or political action. But they do suggest that there is growing room for maneuver on U.S. policy toward Vietnam that goes unexploited by the Reagan administration. Washington sticks to a policy of isolating and punishing Vietnam despite clear signs that the new leadership in Hanoi is serious about pulling its occupation army out of Cambodia and in pursuing an improved dialogue with the Americans. A few members of Congress have urged a new look at Vietnam, but have been rebuffed. When Senator James McClellan, a conservative Republican from Arizona and a prisoner of war during the Vietnam War, proposed legislation earlier this year to establish diplomatic relations between Washington and Hanoi as a way of improving the talks on U.S. soldiers still carried as missing in action, the State Department blocked it (and set back the MIA effort).

The West Needs a Unified Policy on East-Bloc Change

By Gregory Flynn

WASHINGTON — In the debate over the Western response to the forces of change being set loose in the Soviet Union and Eastern Europe, an important difference has developed in the terms of reference being used by the two sides of the Atlantic. At stake is whether the West will be able to develop a coherent, unified policy toward change in the East; whether it can influence outcomes, even marginally, and whether, in doing so, it can help make Europe more secure. The debate in the United States on Soviet change tends to focus on Europe as part of America's own larger relationship with the Soviet Union. Will changes within the Soviet Union, it is asked, be accompanied by such change in the Soviet approach to the world that a new global order might actually emerge? Could the way the superpowers do business with each other alter so significantly as to transform the way the world does business? When issues are posed dramatically, debate ends up by focusing on extremes (which is more likely, revolutionary change or cosmetic shift?), and the immediate questions get less attention: How might change in the Soviet Union affect the daily functioning of divided Europe? How might change be channeled to make the existing order more acceptable? Most Americans believe West Europeans overestimate the possibilities of doing business with the Soviet Union. Yet, almost no one in Western Europe harbors the illusion that change in the East might imply a transformation of the European order. The debate in Western Europe is about three issues: how best to use change in the East to ameliorate the consequences of Europe's division; how to set in motion processes that, over time, might attack the root causes of the European stalemate; and how much insurance needs to be kept in the meantime. It is not that West Europeans are averse to the idea of profound, structural change in the East-West relationship in Europe. They simply do not believe this can be achieved by openly challenging the existing order. Working to change the rules of the current order, by increasing contact and reducing history confrontation between the two blocs, is more likely to produce desirable results. Both logic and probability are on the side of the West Europeans. The Kremlin's decision to undertake serious internal reform and to promote reform in Eastern Europe was not based on any new perception of Soviet security interests. It is at the moment

when potentially uncontrollable forces are being set loose at home that Soviet attention to geopolitical stability is likely to be greatest. And Europe is the area where change in the global balance would be least tolerable. Changes in the East may, however, affect the conduct of relations between East and West in Europe. It may be possible to reduce the role of military power and confrontation. Economic and human interaction may increase across the East-West divide. The questions are these: What kind of change does the West want, and how might it influence events in this direction? How can Europe be made more secure even as Eastern Europe remains in the Soviet sphere? The West has not begun to come to grips with these questions. Traditionally, it has been content to preach revolutionary change in the East, though in fact it has never been willing to support such change. Now it must develop a doctrine of evolutionary change — one that encourages liberalization without directly challenging the geopolitical status quo. A common Western doctrine of evolutionary change is needed if we are to avoid discord in the alliance and to have any influence over the consequences of change in the East. The current U.S. approach reflects a weariness with the existing order, and a concern that the United States' global engagement may not be sustainable at present levels. Americans wish the world would change. They are less interested in how change in the Soviet bloc might affect Western policy in Europe for the long haul. There is growing hope America might not have to be in it for the long haul. Internal change has begun in the Soviet Union and Eastern Europe. How deep, how durable, and how controllable are unknown. The key to these questions lies in Moscow. The division of Europe is not immutable, but it will not change until Moscow wants it to change, which means it will not change in the foreseeable future. The challenge for the West is to shape a policy that uses change in the East to make Europe safer, not by attacking the Soviet sphere of influence but by seeking to alter the way power is exercised within that sphere. Our interest is in reform that is compatible with short-term stability but that produces greater long-term stability. We must encourage those reforms that are least reversible and that will gradually erode the authoritarian structures of political power. The important policy areas here are economic decentralization, cultural and youth exchanges, and freedom of information. We should remain officially agnostic in areas that directly challenge current power structures, such as the emergence of alternative political groupings. We must not become an easy excuse for those who would cut short the process of reform. The current order will crumble only when it becomes obsolete. To make it so must be the goal of Western policy. The writer is a senior associate of the Carnegie Endowment for International Peace. He contributed this column to the International Herald Tribune.

Munich, 1938: What Might Have Been

By William Pfaff

LONDON — Thursday will be the 50th anniversary of the Munich agreement, when Britain and France capitulated to German demands on Czechoslovakia — thereby making the Munich agreement the last straw in the East might imply a transformation of the European order. The debate in Western Europe is about three issues: how best to use change in the East to ameliorate the consequences of Europe's division; how to set in motion processes that, over time, might attack the root causes of the European stalemate; and how much insurance needs to be kept in the meantime. It is not that West Europeans are averse to the idea of profound, structural change in the East-West relationship in Europe. They simply do not believe this can be achieved by openly challenging the existing order. Working to change the rules of the current order, by increasing contact and reducing history confrontation between the two blocs, is more likely to produce desirable results. Both logic and probability are on the side of the West Europeans. The Kremlin's decision to undertake serious internal reform and to promote reform in Eastern Europe was not based on any new perception of Soviet security interests. It is at the moment when potentially uncontrollable forces are being set loose at home that Soviet attention to geopolitical stability is likely to be greatest. And Europe is the area where change in the global balance would be least tolerable. Changes in the East may, however, affect the conduct of relations between East and West in Europe. It may be possible to reduce the role of military power and confrontation. Economic and human interaction may increase across the East-West divide. The questions are these: What kind of change does the West want, and how might it influence events in this direction? How can Europe be made more secure even as Eastern Europe remains in the Soviet sphere? The West has not begun to come to grips with these questions. Traditionally, it has been content to preach revolutionary change in the East, though in fact it has never been willing to support such change. Now it must develop a doctrine of evolutionary change — one that encourages liberalization without directly challenging the geopolitical status quo. A common Western doctrine of evolutionary change is needed if we are to avoid discord in the alliance and to have any influence over the consequences of change in the East. The current U.S. approach reflects a weariness with the existing order, and a concern that the United States' global engagement may not be sustainable at present levels. Americans wish the world would change. They are less interested in how change in the Soviet bloc might affect Western policy in Europe for the long haul. There is growing hope America might not have to be in it for the long haul. Internal change has begun in the Soviet Union and Eastern Europe. How deep, how durable, and how controllable are unknown. The key to these questions lies in Moscow. The division of Europe is not immutable, but it will not change until Moscow wants it to change, which means it will not change in the foreseeable future. The challenge for the West is to shape a policy that uses change in the East to make Europe safer, not by attacking the Soviet sphere of influence but by seeking to alter the way power is exercised within that sphere. Our interest is in reform that is compatible with short-term stability but that produces greater long-term stability. We must encourage those reforms that are least reversible and that will gradually erode the authoritarian structures of political power. The important policy areas here are economic decentralization, cultural and youth exchanges, and freedom of information. We should remain officially agnostic in areas that directly challenge current power structures, such as the emergence of alternative political groupings. We must not become an easy excuse for those who would cut short the process of reform. The current order will crumble only when it becomes obsolete. To make it so must be the goal of Western policy. The writer is a senior associate of the Carnegie Endowment for International Peace. He contributed this column to the International Herald Tribune.

A Script for a UN Convert

On Monday, President Reagan takes his farewell bow at the United Nations. Until recently he tended to regard the institution as a do-nothing anti-American talk shop. We can expect a different tone Monday. Mr. Reagan may not be a born-again UN backer, but he certainly has been baptized in the sweet waters of international peacekeeping. The UN's recent successes — on Afghanistan and the Gulf War, and prospectively on Angola, Cambodia and the Sahara, are behind the change in heart. There has also been a noticeable decline in the amount of bashing of America and its allies within UN walls. Last week Mr. Reagan showed his appreciation by moving to pay arrears on U.S. dues. But part of the promise of repayment depends on Congress going along with it, so much will depend on the strength of Mr. Reagan's public testimony Monday. If Mr. Reagan wanted, he could use the immense influence of the prodigal son returned to help the UN recover the momentum it had in the late 1940s and '50s. Four points stand out as priorities for his attention: 1. Mr. Reagan should endorse the idea of Olaf Palme, the assassinated prime minister of Sweden, of using UN forces for "pre-emptive peacekeeping" — sending them to hot spots before fighting starts, to separate antagonistic forces. Mr. Palme spoke of a "moral trip wire" that would push opponents to stop the preparations for war and seek arbitration. 2. The UN Fund for Drug Abuse should be sent on a muscle-building course. A no-bolts-barred international war on drugs is overdue. 3. The World Health Organization has a well-managed AIDS program. Boost it. Ditto for UNICEF and its campaign against infant mortality. 4. The UN Fund for Population Activities needs a financial transfusion. It was badly wounded when the United States cut its contribution. If Mr. Reagan used his final months in office to raise the sights of the American people toward international endeavor he would leave a timely and necessary legacy. History might choose not to forget him. — Jonathan Power, International Herald Tribune.

acquired the aura of invincibility that later served him so well. It is possible, perhaps probable, that if Czechoslovakia had fought, France would have felt compelled to honor its treaty and attack Germany in the west. Britain in turn would presumably have become engaged. One cannot say how all this would have ended. It is a fact, however, that the German general staff in 1938 did not regard Germany as in a state of military preparation sufficient to conduct a war on two fronts. One only speculates. It is possible, though, to think that Hitler could have been stopped in 1938 for a fraction of the bloodshed and grief that were exacted in the years to follow. Czechoslovakia might still be free, the Baltic states independent, Poland a free country in its old borders, and the other East European countries free. Germany united. Who can say what else this might have meant? Whatever happened, it could scarcely have been worse than what really occurred. Speculation aside, there is a policy counsel in this: When you cannot know how something will come out, principle is the safest guide. It is better in do what is honorable. If in 1938 everyone had done what was honorable, however blindly they acted, it could have spared us a world war. International Herald Tribune. © Los Angeles Times Syndicate.

100, 75 AND 50 YEARS AGO

1888: Schubert Exhumed

PARIS — The remains of Schubert were exhumed yesterday (Sept. 23) for reinterment in the Central Friedhof in Vienna. The skeleton was very imperfect but the skull was intact. The remains, after having been consecrated at the Washing chapel by Father Schubert, a younger brother of the composer, were conducted with great pomp to the Votiv Kirche. Hundreds of thousands of people thronged the streets, and innumerable wreaths and flowers were disposed about the tomb, which is next to that of Beethoven.

1938: Hitler's Ultimatum

PRAGUE — With the entire country under arms and ready for any emergency, the Czechoslovak government tonight (Sept. 24) received the memorandum of Chancellor Hitler containing the German plan for progressive evacuation of the Sudeten districts by the Czechs and simultaneous occupation by German troops. The German chancellor presented the memorandum — with the Fuehrer's word that it had six days to comply with his conditions for the evacuation — to Premier Chamberlain at Bad Godesberg for transmission to Prague, in Berlin, meanwhile, the German high command is forging ahead with the final preparations for possible military action on a totalitarian basis. Reports were current here today that men of the SS, SA and Nazi Motor Corps, who are not to be otherwise employed in case of war, have been summoned to concentrate at various designated points throughout the Reich by next Tuesday (Sept. 27).

1913: Sulzer Cedes Post

NEW YORK — Governor Sulzer today (Sept. 23) recognized Mr. Glynn as Acting Governor and surrendered to him all the powers of his office pending the result of the trial. He had put in a plea that the Legislature was unauthorized to impeach him at a special session owing to legal formalities. The Court overruled this plea, 51 to 1.

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WEST BERLIN



Modernization Program Boosts Local Economy

Dismissed as a "dying city" in the 1970s, West Berlin is once again economically on the move. New firms, new jobs and a growing population have brought new prosperity to the divided city.

The city seems to be in an upbeat mood, a fact confirmed by the surging numbers of tourists arriving at Tegel Airport, lured by the whirl of cultural activity, green forests, handsome lakes and splendid shopping possibilities. The two-mile-long Kurfürstendamm boulevard, which only five years ago looked shabby and seedy, is now vibrant with sidewalk cafes, chic boutiques and art galleries.

The city's governing mayor, **Over 350 enterprises moved to Berlin in the 1980s**

Eberhard Diepgen, beams as he tells you that today West Berlin is a "city of two million people again." Four years ago Berlin's population was down to 1.8 million, and experts were darkly predicting that the number of people living in the city would decline to 1.5 million.

But the influx of people of German ethnic origin from Poland, the Soviet Union and Romania, the increase in the number of East Germans allowed to move to the West, and a renewed willingness among young West Germans to settle in the city have all dramatically changed the demographic picture.

The recent flood of arrivals may have placed an additional strain on the labor market, but it has also given West Berlin new creative impulses and vitality.

Elmar Pieroth, West Berlin's Economic Minister, said a further 20,000 arrivals from the East were expected this year. "We welcome these people," he said. "As far as West Berlin's industry is concerned, they can only bring benefits in the

medium term." Mr. Pieroth's remark, made at a recent press conference in City Hall, was a reply to those who had expressed fears that the wave of newcomers posed a threat to Berliners' jobs.

West Berlin's work force now stands at 878,500 — its highest level for 12 years. In the past five years, 42,000 new jobs have been created in West Berlin, many of them in the service sector, said Mr. Pieroth, a Rhinelander who first came to the city in 1981.

Still, he concedes, with 95,000 Berliners (11 percent) out of work, the city has a worrisome unemployment problem. The West German average is slightly lower (9.5 percent), and Mr. Pieroth said everything was being done in West Berlin to reduce the level. A dramatic reduction is unlikely in the foreseeable future, though he points out that the youth jobless level was down to 3,200 in July, 13.9 percent lower than in the corresponding period last year. "That is somewhat encouraging," he said.

Despite Mr. Pieroth's insistence that his government is trying to combat the problem, the opposition are accusing him of callousness and complacency. Walter Momper, the leader of the Social Democrat Party (SPD) in Berlin, says his party will make the plight of the jobless a major campaign issue in the upcoming January 1989 city government elections.

The SPD has suffered a series of reversals since losing power in Berlin almost eight years ago, and is still trying to improve its image among Berliners — so far without much success. The mood in the city right now is against change, and the pollsters are predicting that Diep-



The Kaiser Wilhelm Memorial Church overlooks the Kurfürstendamm.

gen's administration will be returned to power — possibly with an increased majority.

In the first half of 1988 the economy was on the upswing, producing results which surprised the experts who had reckoned with a downturn in the wake of last October's stock market crash. Orders for West Berlin-made products shot up by ten percent over the same period last year.

Foreign buyers have been placing more orders in the capital goods sector. Berlin's economy, measured

in terms of the city's gross product, had a growth rate of 3 to 3.5 percent in the first six months of 1988. Despite periodic oscillation, industrial production has been steadily expanding now for five and a half years.

One of West Berlin's more recent achievements has been not only to halt, but in some cases to reverse, the erosion of the industrial landscape that was turning Berlin into a "dying city" in the 1970s. This has

See Economy page 11

World Bank Meetings Scheduled for Berlin

Bankers, journalists and others have shown unprecedented interest in this year's IMF and World Bank meetings, in part because of their proximity to European banking centers.

Scheduled to be held in West Berlin from September 27 to 29, the meetings are the first to be held in Europe since 1979, when they were held in Belgrade, Yugoslavia. The most recent IMF/World Bank meetings in Western Europe were in 1970 in Copenhagen, Denmark.

Some 10,000 people or more are expected to attend, including 1,200 officials comprising delegations from 151 nations. More than 3,000 commercial bankers and 1,000 jour-

Over 3,000 bankers will congregate in Berlin

nalists are also expected. Recent meetings in Washington, D.C., and Seoul, South Korea, drew about 9,000 people, said Graham Newman, IMF assistant chief information officer in Washington. The increase in attendance is probably accounted for by European bankers, he said.

The event will focus on the international economic outlook, Mr. Newman said. Main issues will include debt in developing nations, debt strategy, progress in coordinating international economic policies, increasing IMF funds, and further allocations of special drawing rights. About 300 discussions are scheduled, as well as meetings of the G-10 industrialized nations and the G-24 developing nations.

Many consider the congresses not only the most significant in the city's history, but the greatest ever in the nation.

"These are the biggest congresses to date in the Federal Republic, both in terms of its size and its significance," said Wolf-Dietrich Gross, deputy general manager of

the meetings' Coordination Office in Berlin.

All hotels in West Berlin are expected to be full during the meetings, the Berlin Tourism Office said. Visitors have been forced to look for accommodations in neighboring East Germany, filling up three major tourist hotels in East Berlin. Airlines have scheduled additional flights to Berlin during the event.

Logistical preparations, started two years ago, will occupy up to 600 people when the meetings begin. Some 551 sound-resistant offices have been installed near the congress center. A new printing facility will churn out 5 million documents during the meetings. More than 100 buses and vans have been procured to transport participants.

Telecommunications have been enhanced with 408 additional telephone lines, 1,400 extensions and almost 50 kilometers of cable. A data network with 30 terminals has been installed at the congress center and at hotels, supplying participants with information from flight schedules to restaurant addresses and sight-seeing programs.

The meetings have also generated great interest with opposition groups such as the Green environmental party. Posters in Berlin and other German cities urge activists to go to Berlin, where demonstrations are planned against IMF/World Bank policies.

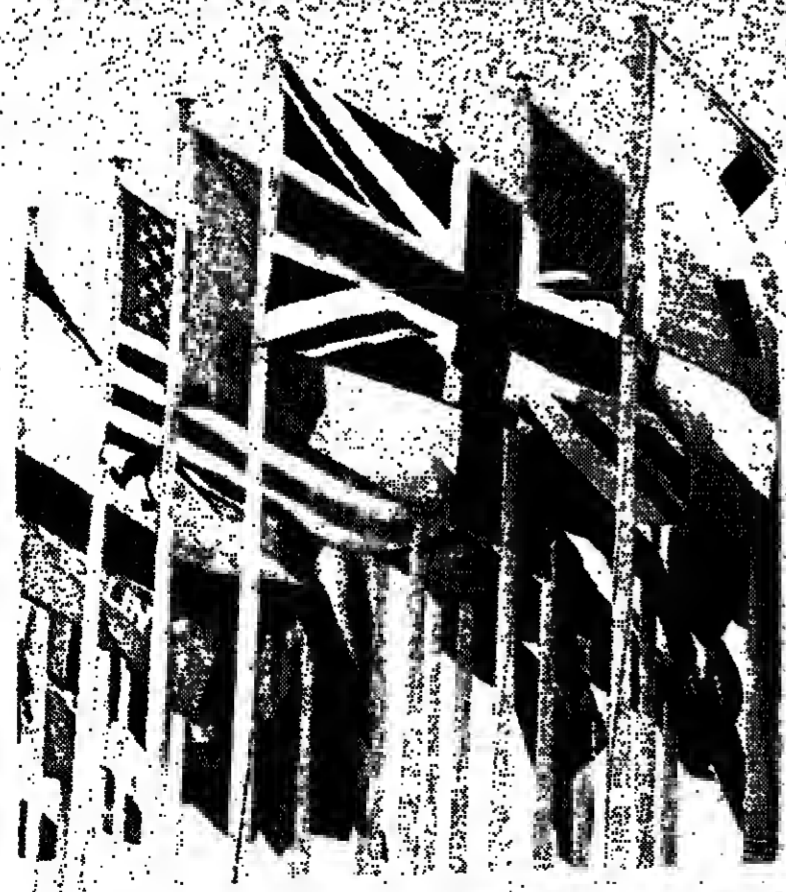
Previous meetings, such as the one in Copenhagen, have seen some violence, prompting Berlin to take security measures. "We are prepared for everything," Mr. Gross said. Berlin's policies will be reinforced with additional officers.

The meetings, which will cost

See Bank page 9

The Symbol for quality in international trade fairs and congresses: Berlin

The location, Berlin, emphasizes the international character between business, science, trade and the arts. Berlin, the trade fair and congress venue, emphasizing creative communication and professional organization.



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- International Green Week Berlin 1988 Exhibition for the Food Industry, Agriculture and Horticulture January 27 - February 5
- International Wireless Exchange ITB Berlin 1988 March 4-8
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- International Audio and Video Fair Berlin 1988 August 23 - September 3
- 27th Overseas Import Fair 1988 "Partner for Progress" Berlin Trade Fair Section, Sept. 27 - Oct. 1
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- 7th International Congress of Immunology July 30 - August 5

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VIEWPOINT

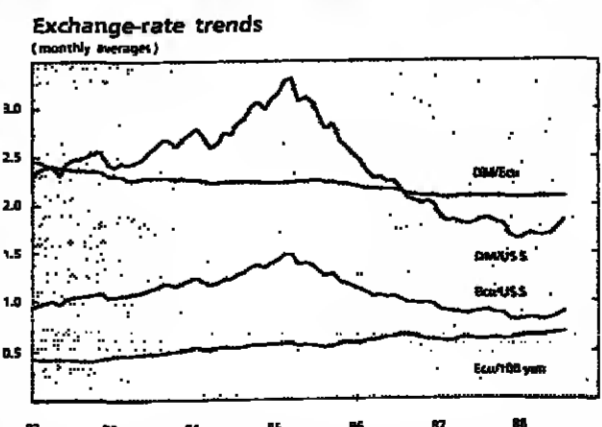
The Commerzbank report on German business and finance

A European central bank on the horizon?

The twelve members of the European Community are moving towards economic integration, and it is generally agreed that the creation of a unified internal market, as stipulated by the Single European Act, must also have an impact on monetary policy. Indeed, if intra-Community exchange rates are still permitted to fluctuate and restrictions on capital movements remain in place, the dream of a truly "common market" may never become reality. For this reason, many are calling for closer monetary cooperation—and above all for the establishment of a European central bank, which is essential for the coordination of monetary and interest-rate policies.

In West Germany in particular, however, experts have long argued that a European central bank can only come as the culmination of a process in which economic and fiscal policies are fully harmonized. But an assessment of European monetary cooperation over the past decade suggests just the opposite—namely, that a joint monetary policy can spur economic cooperation, promoting convergence and integration. In fact, expansion of the institutional framework of European monetary policy must go hand in hand with the integration of the national capital markets. Coordination is even more essential in the other policy domains. In order to work, a

single internal market will need more than just a "Europeanized" monetary policy. It will also require a common fiscal policy as well as a wage policy which is sensitive to the regional and sectoral differences within this vast economic zone. There is a growing



realization that a unified European market in which monetary policy transcended national borders, while fiscal and wage policy did not, would be doomed to failure.

No alternative exists to such integration—as experience with the international monetary system has shown. Since the dollar is still the cornerstone of that system, the central banks' scope for action has become very limited in recent years. At times, monetary policy has been reduced to merely reacting to the dollar's hectic gyrations, often at the expense of dom-

estic economic needs. In the long run, therefore, this lopsided arrangement should be replaced by a tripartite global monetary system comprising a U.S. dollar area, an East Asian yen block and a European currency zone. The Europeans will not have to

be attained if the Community continued to permit itself the luxury of twelve individual currencies. As things stand at present, the transaction costs and exchange-rate risks have prompted entrepreneurs and bankers with EC-wide business to lend ever stronger support to the idea of a currency union.

Political independence Europe needs a central bank that is not only responsible in theory for maintaining the stability of the European currency; it must also be given the tools to do the job in practice. Such an institution must be accorded the maximum degree of political independence at both the national and EC levels. Moreover, if the central bank is to successfully preserve monetary stability, a strict separation will have to be maintained between the twin tasks of circulating money and funding government spending.

Many will consider the goal of a European central bank too ambitious and it will certainly not be achieved quickly, or easily. We cannot expect "grand solutions"; rather, gradual progress should be the aim. Yet the objective must be pursued with the same strong political will as the single European market. Otherwise, Western Europe will find it difficult to play an enhanced global role as the year 2000 approaches—a point which the Europeans now seem to be taking to heart.

COMMERZBANK German knowhow in global finance

VIEWPOINT is presented as a regular service to the international business and financial community by the Economics Department of Commerzbank, P.O. Box 100503, D-6000 Frankfurt/Main 1.

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ADVERTISING SECTION

East-West Thaw Brings Breakthrough in Trade

In the wake of Glasnost and Perestroika, the countries of the Council for Mutual Economic Assistance (Comecon) are modernizing their economies and showing new eagerness for closer connections with the European Community.

Prior to the August announcement, a joint declaration had already been signed in June by the EC and Comecon for the "development of cooperation in all fields of common interest."

The West Berlin government is excited by this breakthrough. Eberhard Diepgen, the city's able and foresighted young governing mayor, sees real chances being offered. Addressing businessmen in West Berlin recently, he talked in glowing terms of the city as an "eastern advance post of the European Community" serving as a bridge between the Common Market and Comecon-trading countries to which, he emphasized, "770 million people belong."

So far, East-West trade has not been at an impressive level, but the 44-year-old mayor says the reshaping of the Soviet Union's economy and society has greatly improved chances for expansion in the 1990s. "We are watching the new developments very closely so that the new forms of East-West exchange do not go past the city," he says.

Before World War II, a third of all Berlin's industrial products were delivered to regions now situated in the German Democratic Republic (East Germany). But post-war divisions dealt a death blow to this trade.

Nobody believes that it could be revived on such a large scale again. But there is no reason why the city — given its strength in the electro-

West Berlin economic experts see bright prospects for their city as a center for East-West trade. East Germany's announcement in August that it was establishing official ties with the EC is just one expression of the new mood.

technical, machine construction, food and chemical manufacturing industries — should not find avenues for its products and expertise in the GDR.

Dr. Günter Braun, general manager of West Berlin's Chamber of Trade and Industry, believes that the city's unusual location close to East Berlin, the GDR and neigh-



Mayor Diepgen

boring socialist state-trading countries offers favorable opportunities for East-West economic relations. He noted Berlin's excellent flight connections, good road, rail and canal links, and maintained there was no bar to "doing business in many sectors of common interest."

As Mayor Diepgen frequently points out, besides being the largest industrial center between Paris and

Moscow, West Berlin also has an array of other advantages — research and development establishments, scientific institutes, and trade fairs, congresses and exhibitions of major international repute.

If West Berlin makes good use of its many advantages, Mayor Diepgen and Economics Minister Elmar Pieroth are convinced that West Berlin could become a gateway for the socialist state-trading nations to enter the much talked about "Binnenmarkt" — or Internal European Market — in time for 1992.

West Berlin would especially like to improve trade with East Germany. The GDR chiefly supplies West Berlin with oil products and items which are expensive to transport such as coal, sand and gravel, as well as some agricultural and fishery products and textiles, while West Berlin delivers electro-technical, machine and conveyance-building products to the GDR.

"At present, the Berlin Senate is making every effort to build up trade with the GDR and improve its quality and professional services. GDR authorities are also trying to do the same, though by the nature of things there it is much more difficult for them to achieve this," Mr. Pieroth said.

There has always been an imbalance in West Berlin-GDR trade, with purchases from East Germany registering almost three times the level of the city's sales. In 1987,

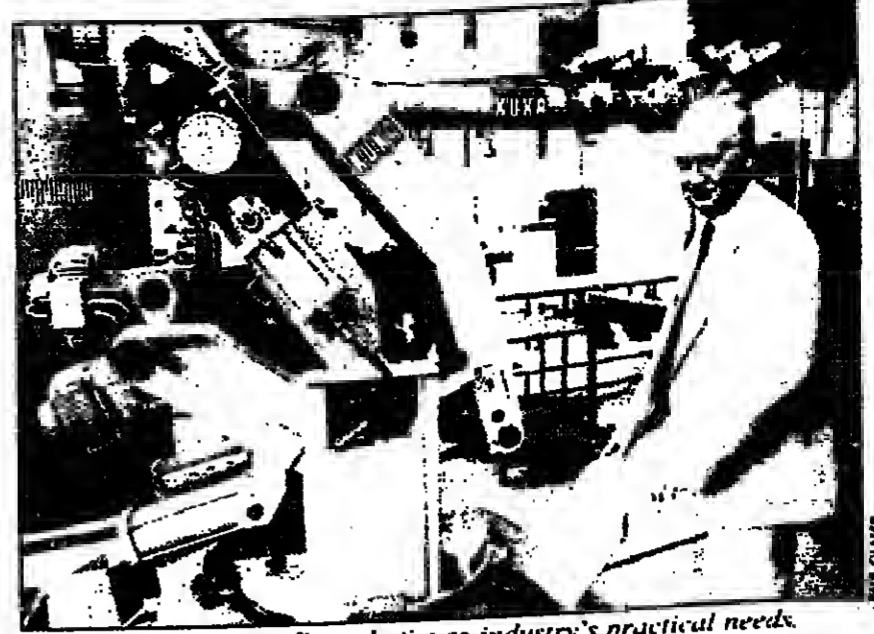
West Berlin's purchases from the GDR totaled 1,449 billion Deutsche marks (down four percent on the 1986 figure), compared to the GDR's purchases of 519.7 million Deutsche marks (a one percent increase over 1986).

The euphoric expectations aroused by the first-ever visit of East German leader Erich Honecker to West Germany in September 1987 have found no confirmation as yet.

But an illustration of what is possible when East-West tensions are reduced and common sense prevails occurred in January. An agreement was reached among the East German trade organization INTRAC, West Berlin's BEWAG electricity company, and the PreussenElektra concern for the construction of power lines from the West German border town of Helmstedt across East German territory to West Berlin. By the end of 1991 West Berlin will be receiving more than ten percent of its present electricity requirements under the power-sharing arrangement. East Germany will also be able to draw supplies from the grid. The deal calls for a 350 million DM initial investment, jointly paid for by BEWAG and PreussenElektra. Work on constructing the power lines across the GDR was recently started.

Under an earlier deal West Berlin was already getting Siberian gas pipeline supplies. Doubts were raised about the wisdom of relying on the Soviet Union for part of its gas when the project was first conceived in the early 1980s. But now supplies have been flowing for the past two years and the controversy has died away.

Neale Marriott



Dr. Gunther Spur applies robotics to industry's practical needs.

Investment Mounts As City Stages Comeback

With more than 180 research institutes, West Berlin has become a major technological center; and the close links between business and industry are attracting new investors.

The robots in Dr. Gunther Spur's Institute for Production and Construction Technology (IPK) could whet anyone's technological appetite.

The ultra-modern glass-enclosed institute, which operates in cooperation with Berlin's Technical University, is a world-famous center for robotics and research on automation of industrial production techniques.

Dr. Spur, presently on a work trip to Asia, is an example of the close cooperation found between Berlin's research institutes and industry. His findings, colleagues say, are quickly converted to practical use by industry. In turn, industrial needs and questions are then acted on to stimulate further research.

IPK is only one of Berlin's more than 180 research and development institutes. With almost half of West Germany's research institutes, West Berlin has become a major center for industrial investment. Some of the institutes are supported by public subsidies, others by grants from major companies.

The range of these institutes corresponds to West Germany's industrial variety and extends from basic research to applied research in the fields of micro-electronics and data processing, information systems and communication. Eighty percent of all research and development funds go to the fields of electrotechnology, chemistry, automotive industry, engine building, precision mechanics and optics.

The Berlin Innovation Center, the Technology and Innovation Park, the new space institute at the Free University headed by a former Challenger astronaut, the Heinrich Herz Institute which explores the latest in television and optical communications, the Institute for Automotive Technologies, the Institute for Welding Research, and the Institute for Applied Information Processing are just a few examples of West Berlin's many research and development centers.

Some of the more unusual projects include the development of high-definition television and the so-called Bessy project, a large facility sponsored by Philips, Siemens, and several other companies for the commercialization of synchrotron radiation (x-ray lithography) for micro-electronic chip manufacturing.

"Berlin is making a comeback," says Dr. Hans Ulrich Abshagen, a consultant who advises U.S. firms on Berlin relocation. "Economically, there is a new pioneer movement here."

The research facilities make Berlin particularly attractive to telecommunications, electronics, and computer companies. Generous tax benefits — which are not given in other West German cities — are also luring firms here.

Personal income tax is 30 percent lower than in other parts of West Germany, and the corporate tax is 22.5 percent lower than elsewhere in

the country. The West German government allows up to 75 percent depreciation of equipment during the first year or the first five years. Special low interest rates, considerably more favorable than in other parts of West Germany, are also available.

The city comprises an area as large as the combined size of Washington, D.C., Pittsburgh and Minneapolis. Its population is two million, of which an astonishing 100,000 are students.

But the history of the divided city has meant a slow return to its pre-war status as a pioneering technological center. The world's first teletype machines were developed here. Berlin hosted the world's first television broadcast, and Berliners got to ride the world's first electric streetcar.

The rise of Nazi Germany drove away many of the city's foremost scientists and researchers. After the war, Berlin ceased to be the nation's capital. Instead, West Berlin was carved up under the rule of the Americans, French and British, a system which exists to this day, and what is now East Berlin fell under Soviet rule. Embassies left West Berlin for the new capital of Bonn, and many industries drifted westward.

But West Germany's well-thought-out program of incentives for both research and industry seems to be working.

Five large U.S. companies, including pinball-machine maker Bally and optics concern Bausch and Lomb, have moved here during the past year, bringing the number of U.S. firms to about fifty.

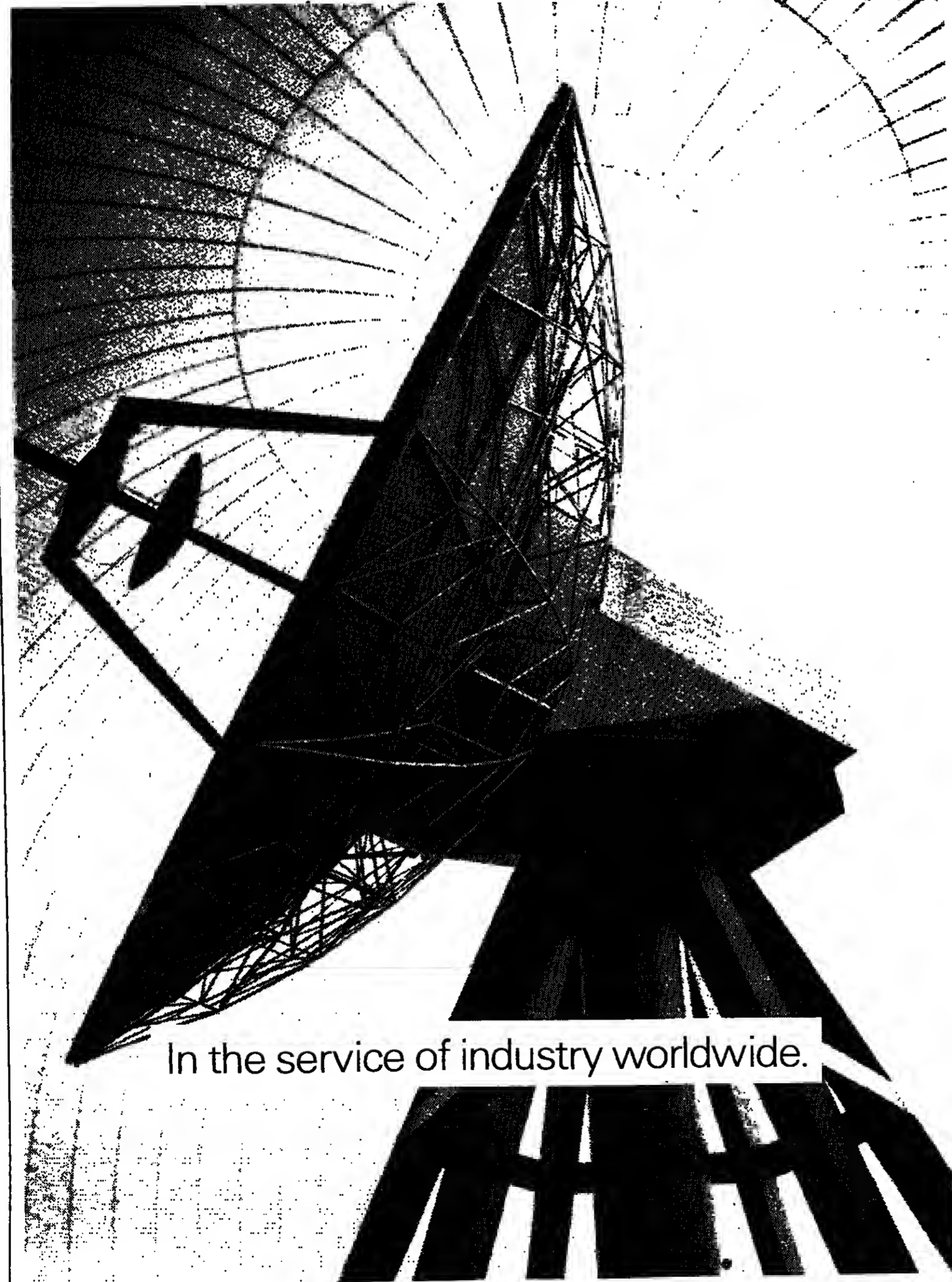
Johnson and Johnson bought a major Berlin pharmaceutical company. Ford chose Berlin as the center for its Western European plastic production; and a major U.S. computer company is considering locating a printing plant for its computer programs here.

The Eastern bloc represents a relatively untapped consumer market for Western countries. And although certain NATO restrictions still exist on technology transfer between East and West, the present atmosphere of détente means that Berlin's research and development centers could soon be serving an eager East. Technological cooperation in turn will most likely lead to East-West joint ventures.

"East-West trade needs a mediating function, just as Hong Kong provides the link between the Far East and the United States," says Mr. Abshagen. "Berlin knows both systems. It is the logical candidate for that role."

Meanwhile, overall investment figures seem to confirm the general optimism. In 1975, 1.122 billion Deutsche marks were invested in West Berlin. In 1985, the figure rose to 2.136 billion DM. This year, the estimated total investment will be 2.5 billion DM.

June Carolyn Ertick



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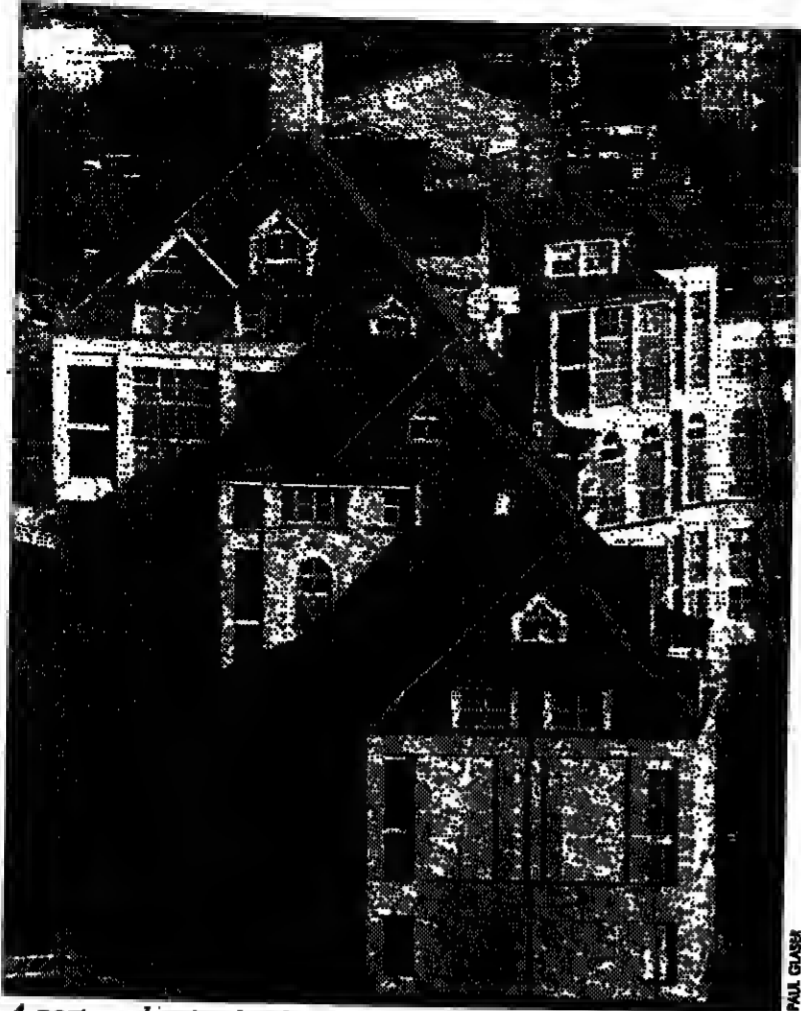
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From Urban Demolition to Post-Modern Renewal



A post-modernist development by the IBA in Tegel.

For the last nine years, West Berlin has been the site of a particularly ambitious program of publicly funded urban planning, reconstruction and renewal: the International Building Exhibition (IBA) Berlin 1987. IBA's task — in this divided city ravaged by World War II and subsequently damaged further by various ill-conceived urban development schemes — was to produce "artistically valuable architecture" and "repair a part of the city."

With about 50 percent of IBA's projects completed, the consensus is that the project has succeeded. The formerly widespread approach of renewal through demolition, with large parts of the population uprooted or priced out of their homes, businesses destroyed and neighborhoods severely weakened, has been replaced by a program of strengthening and embellishing each area.

Forelorn and desert-like expanses such as Southern Friedrichstadt (which, like many of the IBA sites, borders on the Berlin Wall) have been "critically reconstructed." The preferred mix of residential, recreational, professional and socio-cultural facilities stands in stark contrast to the faceless rehabilitation projects of post-war years.

As IBA took shape in the late

Putting an end to arbitrary demolition and speculative construction, West Berlin is intent on producing a model of contemporary urban planning.

1970s, it was divided into two sections: the first to meet the challenge of new urban construction in the Berlin areas of Tegel, Prager Platz, the southern Tiergarten district and southern Friedrichstadt; the second, to renovate the areas of Luisenstadt and Eastern Kreuzberg. Until the end of 1983, IBA was financed by the Land Berlin (75 percent) and the Federal Republic of Germany (25 percent); since 1984, it has been solely financed by the Land Berlin, at an estimated cost of 4 billion DM.

Alongside the concept of "critical reconstruction," with its search for an equilibrium between tradition and modernity, the Neubau (or new building) activities at IBA were guided by the idea of "critical pluralism," whose goal is to present numerous stylistic and philosophical approaches to contemporary architecture. "We wanted to involve the protagonists of the different theories of architecture. Among the internationally acclaimed architects who have built for the IBA are Aldo Rossi, Gustav Peichl, James Stirling, Gior-

gio Grassi, John Hejduk, Raimund Abraham and Morre/Ruble/Yudell. In 1979 when the Berlin House of Representatives called on the Bauausstellung Berlin GmbH to "save the ravaged city" in Kreuzberg, the area was "more badly affected by the redevelopment of the '60s and '70s than by the war and the wall," wrote IBA's renewal project director Walther Hämer.

Against a background of growing resistance and discontent in this rundown and threatened area, IBA developed an alternative and "more caring" 12-point program for "Careful Urban Renewal." This stressed the importance of resident participation. It proposed that renewal work proceed in stages, allowing most residents to remain in their homes while renovation is going on. The cost of modernization under the IBA program has averaged between 45 and 49 percent of the comparable costs for new construction, making it possible for an unexpectedly high number of residents (95 percent) to remain in the area.

On January 1, 1986, the urban renewal project, including all its staff, was handed over to a private successor company, STERN (Association for Careful Urban Renewal Berlin GmbH). Today, STERN is continuing the work begun by the IBA, which to date has resulted in the renovation of 5,200 apartments and 130 commercial units; the conversion and extension of five schools; the creation of 14 child care centers; and the planting of gardens in 320 courtyards.

Yet the renewal of Kreuzberg is far from completed. About 6,000 more apartments are in urgent need of renovation. As Jörg Dargel, a leading STERN staff and steering committee member said, "With our social orientation, we don't think the technical modernization of a house or the improvement of a kindergarten is enough to improve the quality of life. We want an integrated approach to involve the participants." The current city government's policy, according to Mr. Dargel, is to restrict the IBA/STERN approach to the Kreuzberg area. Nevertheless, STERN's implementation of Careful Urban Renewal will continue. "There is no responsible alternative for Berlin," he said.

Melissa Drier

Luxury Shops and Nighttime Fun

Maintained with the magnificence and luxury of a capital (which residents will tell you it has never ceased to be) West Berlin is a shopper's delight and a gourmet's paradise.

Much has been written about West Berlin's cultural life, its opera, ballet, music, cabaret and transvestite revues, but what of its splendid eating establishments: its restaurants, sidewalk cafés and pubs, of which the city has more than 5,000, most operating far into the night.

And what of Berlin's many shops? With 12 districts, each with its own shopping center, the city has about 40 department stores, more than any other European city. If West Berlin could be said to have a center then it is generally taken to be the easily identifiable old bombed-out Kaiser Wilhelm Memorial Church Tower at Breitscheid Platz. The new church stands alongside it.

On the Tauentzienstrasse, not far away, stands the KaDeWe ("Kaufhaus des Westens") department store. People spill out of the Wittenberg U-Bahn station and make a beeline for the KaDeWe. It is Germany's equivalent of Harrods in London, and stocks goods from all over the world across 43,000 square meters of floor space. It sells furs, perfumes, computers, toys, textiles and artworks — you name it, the KaDeWe is sure to have it, or will get it for you.

At the nearby Europa Center is a skyscraper office block which also houses an indoor three-story shopping and entertainment complex. For the visitor in a hurry to buy small gifts or souvenirs, this is the place to head for. Besides shops, it has quality nightclubs, restaurants, pubs, and the city's plush casino.

West Berlin's tradition for cabaret with biting political satire still finds expression at the center's famous Stachelschweine (The Hedgehogs) theater. Wolfgang Gruner, a Berlin original if ever there was one, is one of the stars. He talks at the speed of gunfire, and if you cannot keep up, then watch his facial expressions. They are worth the entrance money alone.

If you want to have a business lunch in a suitably conducive and congenial atmosphere, then you won't go wrong at the famous Kempinski Grill, housed in Berlin's renowned city-center hotel on the Kurfürstendamm. It seats 60 and needs no advertising for the excellence of its food and service. Another favored haunt for business people is the Hotel Berlin Grill-Restaurant on the Litzthof Platz. It offers a special three-course "business lunch" at 48 DM per person. On Kantstrasse, a parallel road to the Kurfürstendamm, is the Paris Bar restaurant where art works of prominent modern German painters adorn the walls. Showbiz personalities, artists, lecturers from the nearby Academy of Art, civil servants and stock market officials give testimony to the mixed clientele here.

Popular with American tourists and business people visiting Berlin is Fofi's, a restaurant with a Greek proprietor and staff on Fasanenstrasse, an up-market property area. A signed and framed photograph of Michael Dukakis greets you above the cocktail bar. For good service on wooden tables and good-quality German fare, Hecker's Deele on the Grolmanstrasse remains popular with the business community.

The Kurfürstendamm is back at its best, after years of looking somewhat dowdy. At night, crowds of well-heeled Germans and foreigners throng the elegant boulevard, as sleek Mercedes and BMWs glide by. The sidewalk cafés are packed and the discos are filled with young West Germans.

Berlin remains by far Germany's most popular city for nighttime fun.

Neale Marriott

Bank Continued from page 7

Germany about 30 million DM (US \$16 million), are hosted by the German Finance Ministry, the Bundesbank or central bank, the Ministry for Economic Cooperation, and the Berlin Finance Senator.

Berlin was chosen because it is the only German city with sufficient hotel capacity and a major conference center. The Finance Senator's office said it hopes the meetings will promote Berlin as a banking center. The event will pump 20 million DM to 25 million DM into the city's economy through hotels, restaurants and other businesses, Mr. Gross added.

As headquarters to such organizations as the Foundation for International Development and the Institute for Development Policies, Berlin is also the city that hosts the annual "Partners for Progress" Overseas Import Fair, which aims to help manufacturers from developing and newly industrialized countries enter Western markets. The fair ended on September 4.

Most IMF/World Bank meetings occur at their Washington headquarters. Every third meeting is held abroad, most recently in Seoul, South Korea, in 1985. The next meetings abroad are scheduled for Bangkok, Thailand, in 1991.

Erich E. Toll



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West Berlin: This Year's Cultural City of Europe



An art-lover studies the portraits in Berlin's National Gallery.

West Berlin's lively artistic present coupled with its rich history earned it the European Community's designation as the year's Cultural City (E'88).

Berlin is the first German city to be so named, and no one has even attempted to count the number of events competing for an audience since Claudia Skoda's multi-media fashion performance, "Dressed to Thrill," officially opened the Cultural City cycle on April 22. "There have been hundreds and hundreds," said Nele Herling, artistic director of Werkstatt (Workshop) Berlin, and one of the event's major organizers. "The basic idea was to get people here to work. To bring artists here, not just for a performance, but to stay longer and give meaning and strength to the concept of Berlin as an international meeting and working place."

Even under ordinary circumstances, there is always something of cultural interest happening here. The museum complex is vast. An estimated 2,000 artists work in West Berlin, and more than 200 galleries are located in the city. The Berlin Philharmonic and Radio Symphony Orchestras are world renowned, as is the Deutsche Oper Berlin. There is also classical, jazz, rock and experimental music, as well as musical theater. In addition to 18 state-run and private theaters, West Berlin plays host to about 150 fringe

Only one year after celebrating its 750th birthday, West Berlin is in the midst of another round of large-scale festivities — this time to celebrate the city's designation as Cultural City of Europe 1988.

theater and dance groups. Film activity in the divided city is increasing, thanks to Berlin's attraction as a natural backdrop, its excellent production facilities, the planned Filmhaus Esplanade and generous financial support. The International Building Exhibition 1987 (IBA) has brought the city's contemporary architecture to international attention. The city is also an important center for fashion and design. Writers discuss their work in the beautifully refurbished Literaturhaus Berlin. And then there are the traditional Berlin Festivals, including the widely attended Berliner Film Festival, Theatertreffen (Theater Meeting) Berlin and Berliner Festwochen.

Artists of all nationalities and orientations have long found Berlin a good place to work because of its relatively easy way of life and the freedom of expression allowed (and one might even say fostered) by its anomalous walled-in position. The E'88 Werkstatt program sought to involve young and established artists, art-lovers and students, in the process of creation, rather than in the final product, through a wide-

range series of symposia, performance projects, with multi-media connections particularly promoted. There have been many precursors to this year's spotlighted workshop orientation. First and foremost, for the past 25 years the Berlin Artists' Program of the DAAD (German Academic Exchange Program) has been inviting international artists of the first rank to live and work in Berlin. Many other organizations, such as the Goethe-Institut, also have a tradition of sponsoring interdisciplinary symposia and workshops in Berlin. In addition, Berlin's "alternative" creative spaces, of which the UFA Fabrik is a prime example, have served as ongoing, community-oriented workshops.

"Berlin — Venue of the New," served as the backdrop for key exhibits including "Positions of Present-Day Art" at the National Gallery, Harald Szeeman's "Zeitlos" or "Timeless" at the Hamburger Bahnhof, and the upcoming "Stages of Modern Art" at the Martin-Gropius-Bau. Divided West Berlin is a young city which, in its short history, has traditionally had an eye and ear out for new developments, and

proved itself open to foreign currents.

Several Werkstatt projects, such as the international dance workshop and the London Sinfonietta and Ensemble Modern (Frankfurt's contemporary music workshop with Berlin school children), may possibly be continued. The city has also grown richer in exhibition and performance spaces, thanks in part to efforts undertaken for the Cultural City of Europe year. And for the many indigenous Berlin groups which felt slighted by, or in competition with, the E'88 proceedings, the Culture Senate's acknowledged attempt to "try everything this year" may yield future benefits. As Matthias Osterwald of Freunde Guter Musik Berlin noted, "I know the politicians will be wondering what they can do after two years of cultural input and increased spending. And I feel there's a greater readiness to support us."

Melissa Drier

Visitors are advised to consult the Berliner Festspiele offices at Budapester Strasse 48, telephone 254 89 250, for information and tickets for Berlin-Cultural City of Europe events. Berlin's two city magazines, Tip and Zitty, offer complete day-to-day listings of cultural events in Berlin.

Economy *Continued from page 7*

been done through an innovative policy of modernization, which has qualified Berlin as an industrial location and led to greater competitiveness, economic growth and more jobs.

Pieroth, who has been largely credited with masterminding this turn-around, talks about Berlin's "considerable locational advantages," compared to rival regions such as Stuttgart, Munich and the Ruhr. "This is confirmed," he said, "by the number of new firms that have started up here, many of them in the service-facility sector. They offer their services close to the seat of production, and operate in the most diverse sectors — in research and development, in industrial design, engineering, software and advertising. There are sound reasons for this. Berlin is the biggest industrial city in Germany, making it a location of special interest to them." It also offers the shortest route to the Eastern European state-trading countries, he added.

Hans Georg Otto, of the Berlin Economic Development Corporation, said that more than 350 national and foreign enterprises had moved to Berlin in the 1980s, investing billions of Deutsche marks and creating 9,000 new jobs.

The West Berlin government set up the Economic Development Corporation in 1979, at a time when grave fears were being expressed about West Berlin's future in the wake of a drastic loss of industrial jobs. "We were faced with a tough task. The city was going through a turbulent time politically, and the image Berlin had in West Germany and abroad was a bad one, as a result of frequent and somewhat violent demonstrations on the streets," Mr. Otto said.

One person who was instrumental in getting Berlin headed in the right direction again was Richard von Weizsäcker, the city's firm but liberal and conciliatory governing mayor from 1981 to 1984. By the time he left for Bonn, to be succeeded by his then close aide, Mr. Diepgen, there was renewed hope in the city.

"As confidence has been restored

in the city, so companies have shown a greater willingness to set up shop here. Our task in 'selling' Berlin as a city where one can do business was made that much easier," explained Mr. Otto. "New markets are opening up here. West Berlin is again on the move."

Recently, an indication of the kind of interest generated by West Berlin was shown when Glasgow, a city which itself was largely written off a decade ago but is now thriving economically and culturally, spent one million Deutsche marks in the divided city on a trade promotion enterprise.

Pat Lally, the leader of the Glasgow City Council, told newsmen that during 1988 a series of trade and cultural events had been arranged in Berlin. "The KaDeWe, West Berlin's most prestigious department store, is putting on one of our promotions. We are also the main sponsor in Berlin of the British Military Tattoo from September 23 to October 1," he said.

While West Berlin has undoubtedly made some progress, it is still dependent for almost 50 percent of its annual budget on the central government in Bonn, and Mr. Pieroth said the city had to mobilize its own energies to a greater degree before turning to outside help. "Therefore we give private initiative absolute priority over state measures."

When Mr. Pieroth first moved to Berlin in 1981, he was struck, he said, by the fact that Berliners had learned how to complain in the post-war years. The more they complained, the more federal aid they received. But, he added, it was important to make clear to them there would only be a future for the city if they relied on their own powers and energies, and had a vision of turning a dying city into a metropolis worthy of the name.

"Any serious observer would now confirm that Berlin has found itself again," said Mr. Pieroth. "Since 1983, more than 3,000 Berliners have created their own firms, and in the process have helped give the city a climate of greater independence."

Neale Marriott

Air Travelers Wait After False Start to Price War

The wait continues for lower air fares to West Berlin, despite an attempt earlier this year to increase competition by raising the number of flights and airlines permitted to fly to the city.

Only airlines belonging to the three Western World War II Allies are allowed to fly there. So, until recently, the traveler's choice was limited to Pan American World Airways, British Airways, Air France and a few regional airlines. In May, the Allied civil air air-

Until recently only three major airlines were allowed to fly to West Berlin. A fourth has now joined them, but fares remain as uncompetitive as ever.

crafts, who must approve all flight and fare changes to Berlin, aimed to improve service by allowing three additional airlines to fly to Berlin. They also approved hundreds of domestic flights, on routes such as Frankfurt-Berlin, previously flown only by Pan Am.

Trans World Airlines promptly planned to offer an introductory round-trip fare to Frankfurt of 159 DM, below the existing discount fare of 254 DM. With Euro-Berlin France, a new Air Franco-Lufthansa joint venture, scheduled to take off in November and Pan

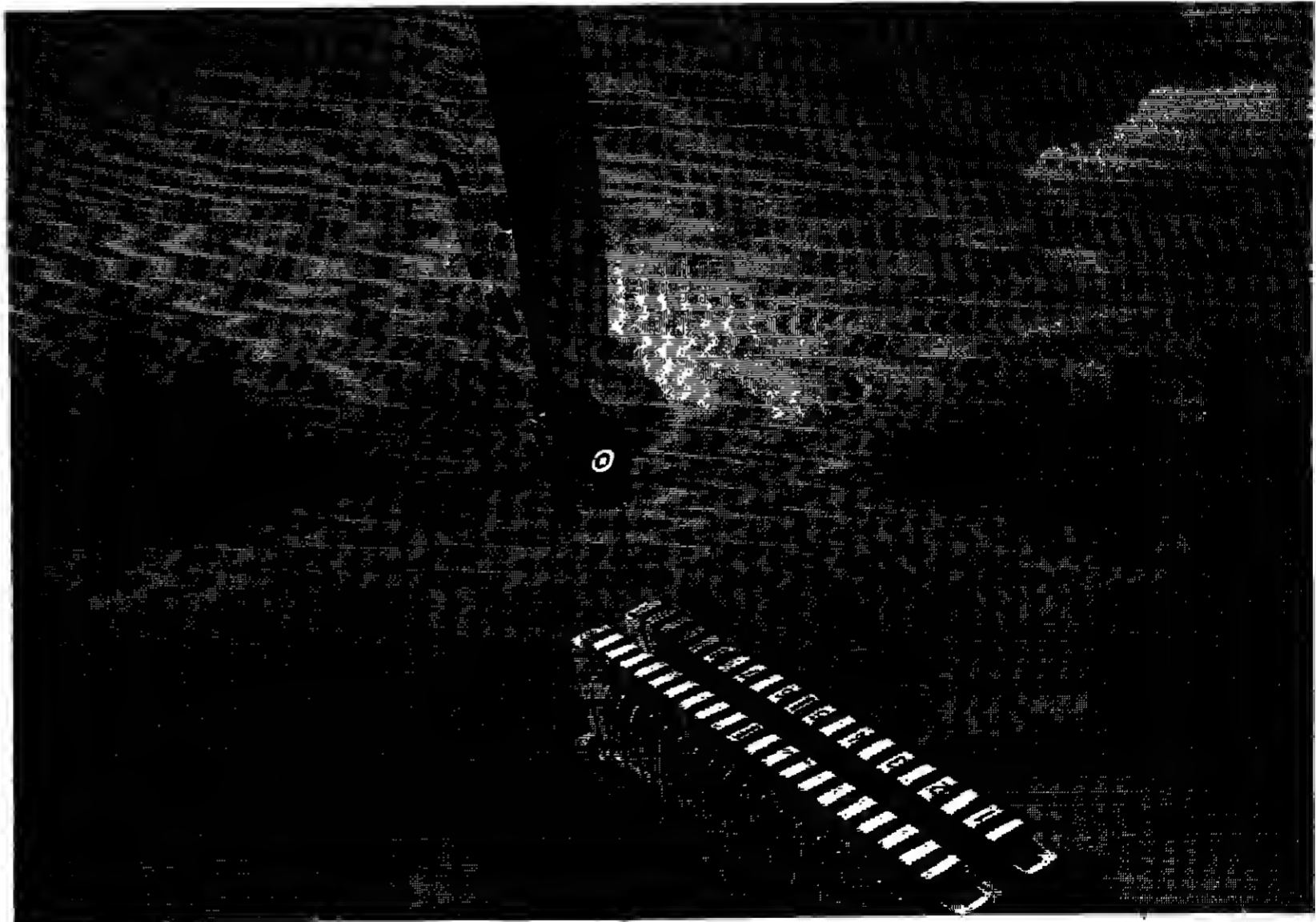
Am already vowing to match TWA's fares, German newspapers declared: "The price war in Berlin air travel has begun." But the attachés did not approve the price cut.

"We were very disappointed," said Charles Adams, senior vice president of TWA's International Division in London. "But we haven't given up. With lower prices, people could tap their discretionary income. Fare flexibility would create tremendous demand."

—Erich E. Toll

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ARTS / LEISURE

Show of Force By Dealers at Paris Biennale

International Herald Tribune
PARIS — The art market structure is undergoing a deep transformation process and the 14th Biennale des Antiquaires at the Grand Palais provides striking evidence of a new awareness of this among the world's leading dealers. The urge to be seen and project a brilliant image is now affecting even those who are most solidly established.

SOUREN MELIKIAN

A small number of newcomers of international repute have transformed the Biennale. Most sensational, perhaps, is the arrival of Kurt Meissner of Zurich, one of the world's four or five leaders in Old Master paintings. An astonishing painting of vast dimensions, "Lob and His Daughters," focuses attention on his stand. Painted by Hendrik Goltzius in 1616, this is one of the earliest compositions in the new 17th-century style that was being devised by the Dutch school, with its strong penchant for realistic handling and psychological portraiture. That Goltzius is infinitely greater as an engraver than as a painter does not detract from the art-historical importance of the work. No other sizable painting by the artist has appeared in the market in the last two decades, hence the \$3 million tag attached to it.

Until three or four years ago, a work of that importance would have been negotiated behind closed doors by springing the surprise on a few, well-chosen curators or millionaire collectors. Meissner says he came in order to become known to a wider circle, and showing the Goltzius is a most effective way to achieve that goal.

The display of two of the four Evangelists by Valentin de Boulogne sold as a pair for \$8 million (about \$1.08 million) last June in Paris answers another purpose. The two paintings by one of the greatest French artists influenced by the Caravaggesque school are admirable, particularly the Saint John, and of outstanding rarity.

However, their recent appear-

ance at auction means that most professionals will be instantly aware that they are being re-offered at twice the price. Here Meissner's reason for displaying the Valentin is essentially to make European vendors aware of his interest in this line. This is a way of countering the offensive of auction houses, which threaten dealers not so much by selling to their clients as by cutting their suppliers.

Significantly, even small dealers now see it as a necessity to attract the attention of a wide international public. René Schreuder, who set up on his own this year in Aerdenhout near Amsterdam, came with a contingent of Dutch paintings. These include a seaside view done around 1600, by Gillis de Hondcoeter, and a landscape painting, "The Driftsman," which, in contrast to later painting, comes out clearly and the subtlety of the colors, reminiscent of *peinture à l'essee*, make it one of the more desirable paintings in the fair, despite a clean break in the panel, perfectly restored.

Remarkably, one of the most famous galleries specializing in French painting of the 18th century, the Galerie Cailler, has made a comeback after a 10-year absence from the Biennale. Its pictures, displayed in the same stand as Claude Lévry's exquisite mahogany furniture of the Louis XVI period, range from Fragonard to Hubert Robert.

The most telling sign of the new mood among top dealers in their category is the participation of galleries whose wares are self-sellers these days. Huguette Bérès, who has been dealing in 19th- and 20th-century masters for four decades from her gallery on the Quai Voltaire, and her daughter Anne Isabelle have made their public debut. They chose to bring a few gems with surprisingly glamorous provenances—a study in oils on panel by Georges Sézanne, "Hiver en banlieue," which passed through the hands of the Natanson family, and, later, the Comtesse de Ganay, a stunning Pottilliste



Seated man with mask, from display of pre-Columbian art.

study on panel, "Thistles," by the American-born Edmond-Henri Cross from the collection of the late John Rewald, the great American historian of Impressionism, and a few more of the same.

Their colleague from Geneva, Jan Krugier, who is equally well known on both sides of the Atlantic, felt the same urge to raise the flag. To make sure that his presence would register, he brought some unusual pieces—a wonderful pre-Fauvist still life of 1901 by Picasso—and one of Paul Guignou's largest landscapes, dated 1857.

Even those firms that traditionally conduct business in private are succumbing to the temptation of the limelight. Paul Prouté SA, now run by Hubert Prouté, is one of the best known galleries in Old Master drawings and engravings with a reputation that goes back to pre-World War II days. It is taking part in the Biennale for the first time with a sampling of engravings by Dürer, Rembrandt, Goya and the like—to say nothing of Tiepolo's study of cavaliers in pen and grey and brown wash.

The desire to make a splash has led to some spectacular displays

where objects are concerned. The winner by far is the Galerie Mermoz with pre-Columbian art. A seated man and two dogs with human expressions said to have been found in the same tomb in the Veracruz province of Mexico have no published parallels in museum collections.

The Kugel gallery brought out a St. Malo silver ewer dated 1675—a period from which hardly any pieces survive owing to the massive melting down that went on under Louis XIV to finance the war effort. The same remark applies to a pair of admirable candlesticks of 1660 from Bordeaux. A portrait on the bottom of a Byzantine glass bowl in the best seventh century style, which may be seen on Guy Ladrière's stand, is probably unique. Jules Speelman brought from London a fourth to third century B.C. Chinese jar with a geometrical pattern under a fine honey ash glaze and two funerary gilded bronze masks of the Liao kingdom that would not be out of place in a great museum.

All of this is displayed in a grand decor in the best French style in a space conceived for the 1900 International Exhibition. It makes the Biennale not just the most important international art and antiques fair to collectors, but also the greatest attraction to the casual visitor.

'Patty Hearst': A Superb Film

By Vincent Canby
New York Times Service

PATTY Hearst, aka Tania, a member of the self-styled Symbionese Liberation Army, and two of her SLA comrades sit on a bed in an anonymous Los Angeles motel room and watch a "live" telecast as the police storm their SLA hideout in another part of the city. Everyone in the house is finally killed.

It is only by chance that Patty and the other two are not in the house. Says Patty, when the televised siege is all over, "They didn't even try to take us alive."

This sense of eerie disconnection, of being a participant in events while also being detached from them, is not something that is often dramatized with any success.

Even when it is, as in Paul Schrader's fine new film "Patty Hearst," it tends to be chilling and off-putting. It does not make for the kind of neat movie in which one immediately knows how one is supposed to respond.

The success of "Patty Hearst," directed by Schrader from the screenplay by Nicholas Kazan, is that it avoids imposing any kind of reassuring order on the harrowing, real-life story of the Hearst publishing company heiress.

Instead, the movie makes scary demands on the audience. On the evening of Feb. 4, 1974, Patricia Campbell Hearst, age 19, was kidnapped by the SLA from her apartment near the campus of the University of California at Berkeley.

For the next six weeks she was kept in a closet, blindfolded, and subjected to periodic indoctrination by her captors.

She was bullied, raped at, lied to and threatened with immediate execution if the police should try to free her. Hearst became a true media event. At the direction of her kidnapers, she sent taped messages to the outside world urging that her father and the state government meet the demands for her release. At one point she urged her mother not to wear black on television all the time. "It doesn't really help things," she said.

Much like someone kept too long in a zero-gravity tank, Hearst lost all sense of direction and identity, though without losing the memory of her earlier life.

As she says in her book, "Every Secret Thing," written with Alvin Moscow and published in 1982, she was never unaware of what she was doing. This is the contradiction with which the courts wrestled when they upheld her conviction for bank robbery and other felonies.

It is something movie audiences have to deal with when watching it. When, finally, the SLA gave Hearst the choice to go free, which she thought might be a trick to kill her, or to join their revolution, she joined. For the next 18 months, she remained with the SLA as a seemingly loyal member of the group's increasingly addled-brained, dangerous missions.

The story of Hearst — her kidnapping, her transformation into a bank-robbing urban guerrilla, her capture, trial, sentence and presidential pardon — remains a haunting one, at least in part because it seems so commonplace, yet inexplicable.

The film's Hearst, played by Natasha Richardson in an absolutely smashing performance, is a decent young woman of average intelligence, emotionally equipped to cope with nothing much more complex than her classes, family life and routine relationships.

However, in the context of fictional movies about ordinary people who are thrown into extraordinary circumstances and subsequently triumph, Patty Hearst looks like a perfect void.

To a certain extent, she is.

"Patty Hearst" is a model of swift, spare, unemotional film making about a character who can never be known, as most fictional characters are, and about a specific time and circumstances that, with hindsight, seem incredible.

When the film was shown at the Cannes Festival earlier this year, European critics were offended by Schrader's almost comic portrait of the bumbling methods of the SLA and by what the critics took to be his scorn for revolution in general.

In Europe, the spirit of 1968 is still treasured. Students rose in France and West Germany. In Czechoslovakia, an entire nation stood up, and then was crushed. It was a time of great promises and greater sacrifices.

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Patty Hearst, left, and Natasha Richardson, who plays her.

To look at "Patty Hearst" in this way is to miss the pertinent points of the film, which is about the fragility of personality and the sometimes remarkable success that can be gained by fanatics of an initially well-meaning, totally bent nature.

While Richardson's Patty is always sympathetic, the movie is fascinated by, and scathing about, the muddled attempts of its white, middle-class revolutionaries to assume the mystical "blackness" of their leader, General Field Marshal Cinque (Ving Rhames), the only black in the eight-man SLA. They are pathetic and yet they are killers. Though made on a comparative-

ly modest budget, "Patty Hearst" is a beautifully produced movie, seen entirely from Patty's limited point of view. It is stylized at times, utterly direct and both shocking and grimly funny.

Beginning with Rhames, every member of the supporting cast is excellent. Richardson goes beyond that, if possible.

There is not a wasted gesture or word. The flat, slightly nasal monotone, which is her California accent, defines the right-tipped temper of the movie.

"Patty Hearst" would rather say too little than too much.

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In L.A. West, Pedigrees in the Housing Market

By Anne Taylor Fleming
New York Times Service

LOS ANGELES — The real-estate advertisement looked typical for these parts: "Fabulous country ranch, yard, house. Guest house is secluded. Spectacular view from the ocean to downtown. One of the most well-known houses in Beverly Hills."

It could belong to any one of a thousand wealthy people, even to a star. But no, this "well-known" house turned out to be the site of the Charles Manson family massacre in 1969. It has been owned by one man, Rudolph Altobelli, for 25 years, and though brokers say that it has been quietly on the market on and off since the murders, it has never sold. Bad karma, as they say in California, real bad.

It has the one glaring example on the wildly fashionable West Side of Los Angeles of a house with a killer pedigree. Pedigrees are funny on the New Coast. It is not exactly the land of "George Washington slept here." More like "George Burns lived here" or "Zsa Zsa did not actually live here, but she owns the place and visited often."

"New Residence of Burt Reynolds for \$6 Million," said another advertisement, which also itemized all of the house's accoutrements — pool, Jacuzzi, gym, projection room, etc. On the same day, the "Former Ray Milland Estate" was touted — yours for \$3,950,000. That is the one I went to see out of nostalgia, if nothing else: Back in 1954, my mother Phyllis Avery, who is now a successful West-Side real-estate broker, had played his sitcom wife on "The Ray Milland Show." I was too late. The split-

level pink stucco house in Bel Air had already been sold to a speculator and was headed for demolition. So much for pedigrees. Soon some lavish new mansion would no doubt rise from its grave — like the much-publicized 56,500-square-foot (5,260-square-meter) being built by the television producer Aaron Spelling and wife, Candy, in Holmby Hills, near Bel Air, on the site of a house where Bing Crosby once lived.

There are exceptions to grinding star homes into stardust, mostly sentimentalists like the television producer Norman Lear, who lives in "The Old Paul Henreid House," formerly "The Old Henry Fonda House." Lear says he would never sell the house to someone who would tear it down.

Far more typical is the attitude of Bruce Nelson, the Beverly Hills megabroker (he earned \$1 million in commissions in the first three months of this year) who represented both Spelling and the Milland estate. "Beverly Hills and Bel Air and Holmby Hills — they're just one big tear-down," he said. "The houses built in the '30s aren't worth fixing up because the land is worth more than they are. Some of my richest clients are actually taking out their tennis courts because they want more grounds. Lawns are definitely in."

Also "in," according to another high-earning broker, Joan McGoohan, are the far West Side, as in Pacific Palisades ("Beverly Hills is just passé," she said) and any house that has a solid, East Coast feeling; none of that flimsy, California ranch-house stuff.

McGoohan agrees with Nelson that star pedigrees do not mean

much, except to the nostalgia buffs and the Japanese, who are wild for them. Most blast locals think of them simply as a lure to draw them to the Sunday open houses, when house-hunting reaches a crescendo. Between 2 P.M. and 5 P.M., the West-Side streets take on the air of an acquisitive, carnival. Flags flap in front of hundreds of "open houses," many of them \$1 million-plus, and residential street corners are dense with signs and arrows pointing hundreds of house hunters toward their prey. Even the privacy-conscious stars come out to rummage through the homes and lives of other stars and strangers. Steven Spielberg, Dustin Hoffman and Richard Dreyfuss all wandered through one of McGoohan's open houses on the same day.

One of the only homes exempt, perhaps permanently, from the wrecker's ball is that of Marilyn Monroe. Even though the star committed suicide there in 1962, it has none of the stigma of the Manson murder site. Quite the opposite. A few prospective buyers (the house has changed hands five times since Monroe's death) wanted to turn it into a museum, but zoning laws do not allow it. Letters for the actress still arrive at the house.

So there you have it: historic houses to which we pay scant reverence. Left standing amid the boom-town rubble, however, are the Manson and Monroe houses, confirming symbols no doubt to the rest of the world of our unhinged heritage.

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N.Y. Film Festival

The Associated Press
NEW YORK — The 26th New York Film Festival, which opened Friday, turns its lens this year on emerging talents and on maverick filmmakers who make personal statements with their works, including Clint Eastwood and John Cassavetes.

The two-week festival, which opened at Lincoln Center with Pedro Almodovar's "Women on the Verge of a Nervous Breakdown," features more works by women directors than ever before. Eastwood is bringing "Bird," his graceful and evocative portrayal of the saxophonist Charlie Parker. Cassavetes is presenting "Opening Night," about an actress deeply affected by the death of a fan.

The festival will close on Oct. 9 with "Red Sorghum," the directorial debut of Zhang Yimou, the award-winning cinematographer of "Yellow Earth" and "The Big Parade."

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ECONOMIC SCENE

Candidates Mum on S&Ls, But Crisis Won't Go Away

By PETER T. KILBORN
New York Times Service

WASHINGTON — No matter who wins the presidential election, economists, congressional leaders and the candidates' advisers say a cure to the woeful financial shape of U.S. savings banks has moved to the forefront among the issues that Congress and the next president must tackle upon taking office.

Although the savings industry's regulator, the Federal Home Loan Bank Board, reported Thursday that the losses slowed slightly in the second quarter, they remain enormous, with current estimates averaging around \$50 billion. The 3,092 U.S. savings institutions reported total losses of \$3.6 billion in the quarter ended June 30, down from \$3.9 billion in the first quarter and the record \$4 billion loss in the fourth quarter of 1987.

The looming problem even provoked the usually frugal chairman of the Senate Banking Committee, William Proxmire, a Wisconsin Democrat, to say Thursday that solving it would require a taxpayer bailout of at least \$20 billion.

"If you have to list the top five issues facing the next administration, this is on the list," said Robert E. Litan, an economist at the Brookings Institution.

In the presidential race, with both candidates conspicuously avoiding the difficult issues of the day, the plight of the savings institutions is not immediately apparent as a campaign topic. One reason is that both parties can be blamed, and neither has devised a vote-getting, partisan solution.

The Democrats, who might normally be expected to attack on the issues, have their own difficulties with it. One of their leading congressional figures, Representative Jim Wright of Texas, has been accused of protecting his political friends in the Texas savings industry.

And Republicans could face charges that the Reagan administration's encouragement of deregulation produced an environment in which poorly and fraudulently managed savings institutions were free run up enormous losses without anyone to answer for.

IN ADDITION, proposals to spend the taxpayers' money to correct the problem, which many analysts now take as a given, are not politically attractive when both sides are vowing to reduce the budget deficits by restraining spending for a lot of popular causes.

"I don't believe Bush or Dukakis will have a choice," said Roger Altman, a New York investment banker and former Treasury official who is also an adviser to Michael S. Dukakis, the Democratic candidate. "It is not a matter of choosing to address it early. It's a matter of being forced to address it."

Martin S. Feldstein at Harvard, a former chief economic adviser to President Ronald Reagan and now an adviser to Vice President George Bush, the Republican candidate, agreed.

"The patient is bleeding," he said. "The sooner you act, the less blood you lose."

Senator Phil Gramm, Republican of Texas and co-author of Congress's budget-balancing law, said: "A bad thing has happened. Somebody has to pay for it. Who's it going to be? The important thing is to move ahead quickly and boldly."

Many people with an interest in the plight of the insolvent savings institutions are devising solutions of their own for the next administration and Congress to consider as nonpartisan concern for the economy and the banking system, not politics, force the issue.

Some of the solutions are similar to the one Mr. Proxmire made on Thursday: the taxpayer bailout, along with tighter regulation to thwart the industry's loose banking practices, and dearing See **THRIFTS**, Page 17



J. Carter Bacot, chairman of Bank of New York.



Joseph A. Rice, chairman of Irving Bank.

A Tale of 2 Banks: Awaiting the Finale

By Sarah Bartlett
New York Times Service

NEW YORK — On the evening of May 6, two of Wall Street's leading lights, Eric Gleacher and Martin Lipton, could be found celebrating at a birthday dinner for Mr. Gleacher's wife at a fashionable Manhattan restaurant.

Despite the occasion, the two men found time to do business. They were on opposite sides of a battle between Bank of New York Corp. and Irving Bank Corp., the first hostile takeover attempt involving two big U.S. banks.

Only hours earlier, shareholders had cast votes for two rival slates of Irving directors, but the results would not be known for several days.

After dinner, the two men stepped outside. Both believed the vote was too close to call. Mr.

Bank of New York's Takeover Bid For Irving Enters Its Second Year

Gleacher, who was advising Bank of New York, wanted to know what Mr. Lipton, a lawyer specializing in takeovers and representing Irving, thought it would take to do a deal.

They discussed terms, not just price, but also having members of Irving's board join a new board and jobs that would be offered to top Irving executives.

Friday marked another birthday — only this time no one was celebrating.

It was Sept. 23, 1987, that J. Carter Bacot, Bank of New York's chairman, went to the office of Irving's chairman, Joseph A. Rice, to tell him that he wanted to buy Irving.

Mr. Rice declined the offer the next day, and then Bank of New York made its \$1.4 billion offer public.

By many estimates, this is the longest-running takeover battle ever to involve a major U.S. corporation. It has drawn on a full range of corporate weapons — poison pills, proxy fights and white knights.

It will ultimately cost the two sides about \$40 million in advisory fees, as well as the incalculable cost of distracted employees and lost business opportunities.

When Bank of New York first made its bid for Irving, industry analysts quickly predicted that

banking would undergo the same kind of merger frenzy that has reshaped the industrial landscape.

But now many members of the financial community have begun to conclude that hostile takeovers of banks are an exercise in futility.

That view could have serious implications for the industry. Many experts believe that, with increasing global competition, the easing of barriers between securities firms and banks, the U.S. banking industry will have to go through extensive consolidation.

If that consolidation can be achieved only through friendly mergers, the industry may not be able to adapt quickly enough.

In this case, however, the prognosis is not so bleak. See **IRVING**, Page 19

August Orders For Durables Rose 6% in U.S.

WASHINGTON — U.S. orders for durable goods rebounded in August, climbing 6.0 percent on the strength of the military and transportation sectors, the government said Friday.

Durable goods, products designed to last at least three years, are generally viewed as a volatile economic indicator.

The Commerce Department said total orders climbed to a seasonally adjusted \$123.1 billion last month. The rise followed a revised 7.4 percent decline in July to \$116.1 billion, the largest in more than four years, and a 8.7 percent increase in June, the largest in 30 months. The department previously said July orders fell 7.1 percent.

Some economists said the figures may reflect a much stronger economy than recent indicators have shown.

"There is a possibility of reacceleration" in the economy, said Peter Greenbaum of Smith Barney, Harris Upham & Co.

But an economist at Dean Witter Capital Markets, Kevin Flanagan, said that, although the economy was growing, the pace "was not as brisk as in the first and second quarter."

Orders for transportation equipment climbed 20.9 percent to \$35.4 billion, after falling 22.4 percent in July and increasing 33.3 percent in June.

More than half of the August increase was for motor vehicles and parts. Auto orders were weak in July as factories switched over to a new model year.

The transportation category has been affected in recent months by swings in orders for aircraft, ships and tanks.

Orders for military goods rose 15.3 percent, to \$8.1 billion, after a 49.4 percent drop in July and a 68.3 percent increase in June. This category overlaps transportation and includes military planes, tanks and ships.

Excluding military goods, orders rose 5.4 percent last month, after a 2.2 percent decline in July and an increase of 4.2 percent in June.

Not counting transportation, orders rose 1.0 percent in August and falling 0.9 percent in July and rising 0.7 percent in June.

Orders in the category of non-military capital goods, a reliable barometer of business expansion plans, climbed 5.4 percent in August to \$38.2 billion, after gains of 2.2 percent in July and 12.5 percent in June. This has been one of the strongest areas of the economy as manufacturers gear up to meet a boom in export sales.

An economist at Chemical Bank, Peter Antonio, said, "Orders were strong across the board." (AP, Reuters)

Nigeria, Banks Reach Pact on Rescheduling

LONDON — Nigeria has accepted terms on an agreement to reschedule the payment on \$5.2 billion of its debt that delays principal repayments for up to 20 years on medium-term loans, Barclays PLC said Friday.

Barclays, with Citicorp, heads a group of creditor banks that has led negotiations on Nigerian debt.

Banking sources said the pact cuts the interest charges that Nigeria will pay and resembles conditions on recent Latin American accords.

Bankers said the accord, clinched at a meeting that ended early Friday, covered \$2.7 billion of medium-term debt and \$2.5 billion in letters of credit.

Currency Intervention Becoming More Effective Under G-7 Cooperation

By Jonathan Fuerbringer
New York Times Service

NEW YORK — After winning another battle this summer, the world's industrial democracies are beginning to offer convincing evidence that, more than before, they can influence the course of the volatile foreign-exchange markets.

In the three years since their historic Plaza accord, the finance ministers of the United States and its allies have dutifully intervened in the markets with coordinated purchases and sales of dollars and other currencies with repeated success and few failures.

And, more important, they have backed up their actions with economic cooperation that has finally given their intervention, often ineffective in the past, some real thrust.

With such coordination, there is a better chance that the world financial system can avoid the disruptive swings in the dollar that have occurred since currencies were

allowed to float freely in 1973. These swings can hurt economies, make a country's exports less competitive abroad and stir general talk of trade retaliation.

"When you look back 10 years from now, this will be one of the best-managed exchange rates in a long time," James T. McGroarty, vice president of the Discount Bank of New York, said of the past three years. "It's been intriguing to me. I was slow in recognizing how the Plaza changed things."

The latest test of the Plaza accord came this summer when a dollar rally appeared to be getting out of hand, forcing the cooperating governments to step in with billions of dollars of market intervention.

By September, however, the dollar was in harness again.

The intervention had gained enough time for a changing economic outlook and coordinated interest rate actions to wane the bullish talk of currency traders.

Indeed, as the finance ministers of the world gather for meetings of the International Monetary Fund and the World Bank in Berlin this weekend, intervention is again seen as one of the important management tools used to influence the course of the 24-hour currency markets, which daily churn out more than \$400 billion worth of trades around the world.

But the debate about the effectiveness of intervention continues because some traders and economists still doubt that even billions of dollars of intervention can move a market that is a hundred times larger.

After being shunned as ineffective during the first four years of the Reagan administration, intervention returned to center stage as part of the accord on foreign-exchange policy reached at the Plaza Hotel in New York three years ago Thursday.

In the four major episodes of intervention since then, during which the United States sold or bought more than \$16.7 billion and other central banks spent billions more, one helped turn the dollar around, one helped it decline sharply and

the third tried, but failed, to support the dollar.

The fourth big effort was this summer. The immediate aim of the Plaza meeting was to get the Group of Five nations — the United States, France, West Germany, Britain and Japan — to cooperate in a major effort to push down the value of the dollar. The addition of Italy and Canada has focused the Group of Seven.

More important, the Plaza agreement marked a new attempt at economic cooperation in which the allies would shape their fiscal and monetary policies with regard to their international consequences.

Better coordination can prevent disparities — such as the U.S. trade imbalance that led to record merchandise deficits in the 1980s — that can send one currency up or down sharply.

This new cooperation makes a difference. Unlike periods of intervention in the 1970s, when it could be uncoordinated and isolated, intervention is now orchestrated

and better guided by cooperative economic goals.

Changes in economic policies, such as a rise in interest rates, often back up the initial push of central banks' intervention.

This makes intervention, said Craig S. Shelton, manager for foreign-exchange risk at Union Carbide Corp., an early warning of policy shifts that the market has heard.

Just this summer, intervention in the markets was backed up by an interest rate increase in West Germany.

That move weakened the dollar in relation to the Deutsche mark as more foreign investors began buying bonds denominated in marks.

"Intervention now would be perceived as a unified front, and if it is not successful at the beginning it will be leveraged up and become successful," Mr. Shular said.

"That is what has got us stuck in this tight range now. Eighty percent of the market wants to be long dollars now, but

See **INTERVENTION**, Page 17

Currency Rates

Cross Rates	Sept. 23	Sept. 22	Sept. 21
Amssterd.	2.117	2.125	2.132
Brussels	36.225	36.210	36.195
London	1.6715	1.6715	1.6715
Paris	6.545	6.545	6.545
Switz	2.036	2.036	2.036
Yen	163.25	163.25	163.25
DM	1.936	1.936	1.936
ECU	1.936	1.936	1.936

Other Dollar Values	Sept. 23	Sept. 22	Sept. 21
Canada	1.315	1.315	1.315
France	6.545	6.545	6.545
Germany	1.936	1.936	1.936
Italy	1.936	1.936	1.936
Japan	163.25	163.25	163.25
Spain	166.37	166.37	166.37
UK	1.6715	1.6715	1.6715

Forward Rates	30-day	60-day	90-day
Canada	1.315	1.315	1.315
France	6.545	6.545	6.545
Germany	1.936	1.936	1.936
Italy	1.936	1.936	1.936
Japan	163.25	163.25	163.25
Spain	166.37	166.37	166.37
UK	1.6715	1.6715	1.6715

Interest Rates

Barocurrency Deposits	Sept. 23	Sept. 22	Sept. 21
1 month	8 1/4%	8 1/4%	8 1/4%
3 months	8 1/4%	8 1/4%	8 1/4%
6 months	8 1/4%	8 1/4%	8 1/4%
1 year	8 1/4%	8 1/4%	8 1/4%

Key Money Rates	Sept. 23	Sept. 22	Sept. 21
Discount rate	7 1/2%	7 1/2%	7 1/2%
Federal funds	7 1/2%	7 1/2%	7 1/2%
3-month T-bill	7 1/2%	7 1/2%	7 1/2%
6-month T-bill	7 1/2%	7 1/2%	7 1/2%
1-year T-bill	7 1/2%	7 1/2%	7 1/2%

Judge Seeks To Indict De Benedetti

MILAN — A judge investigating Italy's biggest postwar banking scandal has asked for the indictment of the industrialist Carlo De Benedetti in connection with the collapse of Banco Ambrosiano, legal sources said Friday.

Mr. De Benedetti, who runs the Olivetti SPA group in Italy and is the leading minority shareholder of Societe Generale de Belgique, has been under investigation for 14 months over the sale of his shares in Banco Ambrosiano just before it went bankrupt in 1982. The case also has links with the Institute for Religious Works, the Vatican bank.

The Vatican bank was the largest shareholder of Banco Ambrosiano, which collapsed in August 1982 leaving \$1.3 billion in bad debts.

Legal sources said a Milan investigating magistrate, Pierluigi Del'Osso, had asked senior judges to send Mr. De Benedetti for trial on charges of extortion against Roberto Calvi, once chairman of Banco Ambrosiano.

Mr. Calvi's body was found hanging from a London bridge in June 1982.

Giandomenico Pisapia, Mr. De Benedetti's lawyer, said there were no grounds for extortion charges against his client.

Milan judges have been investigating whether Mr. De Benedetti profited illegally from his investment in Banco Ambrosiano. He invested \$37.1 million for a 2 percent stake in the bank before he was appointed deputy chairman. He sold the stake when he resigned 65 days later, citing disagreements with Mr. Calvi.

Court sources indicated Mr. De Benedetti is suspected of having threatened to reveal irregularities in Banco Ambrosiano's operations. (AP, Reuters)

Lonrho Sells Subsidiary Amid Discussion of Defensive Moves

LONDON — Lonrho PLC has agreed to sell a West German glassmaker it bought about a year ago to Oberland Glas AG, the buyer said Friday, amid statements that Lonrho would consider a management buyout or asset sales to fend off the corporate raider Asher B. Edelman.

Discussing potential defensive moves, Paul Spicer, a Lonrho director, said, "If shareholders want us to break the company up and release the \$5 [10] a share, the best time in the world for selling the assets is the Lonrho board."

He also said, "We, the board, and Mr. Rowland, moving together, could buy it. There are such things as management buyouts." His reference was to the chief executive of Lonrho, R.W. Rowland.

But, Mr. Spicer added, "The best thing that could happen is for shareholders — and they always have been very loyal to us — to stay with us." In a year or two, he said, shares could go as high as £8 or £10.

"Attention has focused on the undervalued asset value of Lonrho since it was revealed that Mr. Edelman holds a 3.79 percent stake in the group.

Earlier this week Lonrho obtained a court ruling to freeze Mr. Edelman's holdings in the British conglomerate.

Lonrho's largest outside shareholder is Mutual Shares Inc., a U.S. investment concern that has a 6.7 percent stake. Mr. Rowland holds about 15 percent of the conglomerate.

Analysts said the asset value of Lonrho is about £5 or £6 per share, compared with a closing share price of 304 pence on Thursday.

Mr. Spicer said defensive measures are not considered "necessary," at least, but noted that the large stake Mr. Rowland holds in the group is a help.

Mr. Rowland is the man who built up Lonrho from a sleepy African mining company in the 1960s into a group that now has 150,000 employees controlling about 1,000 subsidiaries in 40 countries.

Although he is 70, analysts and company sides say Mr. Rowland remains firmly at the helm of Lonrho. Any predator could expect a rough fight.

"There will be a battle royale," said Bob Carpenter, an analyst with the brokerage Kitco & Alden & Co.

Interest in Lonrho has also increased after the unrelated £2.9 billion bid on Wednesday by Minerals & Resources Corp. for Consolidated Gold Fields PLC, which brokers said was another bid for undervalued assets.

Oberland, another West German glass producer, said it would take over Ruhr Glas AG for an undisclosed amount. Ruhr Glas, formerly known as Veba Glas, was purchased by Lonrho in 1987 from Veba AG.

Ruhr Glas, which is based in Essen, employs 1,700 people and has annual sales of about 300 million Deutsche marks (\$160 million). Lonrho holds an 80 percent stake in the company.

Oberland Glas, which employs 1,150 people, had sales of 328 million DM last year. The French glass-making and industrial group Compagnie de Saint-Gobain owns 24.9 percent of Oberland Glas and intends to raise its stake to 35 percent.

Mr. Spicer said asset sales would never be ruled out. "If it is in the interest of shareholders," he said, "we will do it."

He noted that "if someone came in and offered us £300 million for an asset, like The Observer, we might say, 'Well, we all love The Observer, but £300 million is a lot of money.'"

Lonrho's operations include hotels, newspaper publishing, motor distribution and mining. They include the third-largest platinum mine in the world, Western Platinum in South Africa, as well as Volkswagen and Audi sales distribution networks and The Observer, a Sunday newspaper in Britain.

Mr. Spicer said the group had considered taking over a major group in the region, but the prices were too steep.

Lonrho also has said it wants to expand in the Far East. Last year the company obtained a listing on the Tokyo Stock Exchange. It has taken small cross holdings in Nishio Iwai Corp. of Japan, a local trading house.

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CURRENCY MARKETS

Dollar Falls Before G-7 Meeting

United Press International NEW YORK — The dollar fell against most major foreign currencies Friday, despite a boost after the release of U.S. durable goods orders for August, as traders awaited the outcome of a meeting Saturday among world economic leaders.

Gold, reacting to lower crude oil prices, fell after gaining earlier in European markets.

The dollar finished at 1.8748 Deutsche marks, compared with 1.8678 DM Thursday, and at 134.375 yen, down from 134.675 yen.

The U.S. currency ended at 6,388.00 French francs, down from 6,391.50 francs, and eased against the Swiss franc, closing at 1.5830 compared with 1.5833 on Wednesday.

The pound fell to \$1.6710, compared with \$1.6690 on Thursday.

London Dollar Rates

Table with columns: Currency, F.R., T.R. Includes entries for Deutsche mark, Swiss franc, Japanese yen, French franc, and British pound.

Finance ministers and central bankers from the Group of Seven major industrial nations are to meet Saturday in West Berlin, and investors were hanging back before the meeting, dealers said.

Currency analysts said hectic trading followed the release of U.S. durable goods data for August, which showed a 6.0 percent increase. But the rally was short-lived, as traders found much of the rise was due to large orders for aircraft.

Gold futures slid at the close

after climbing above the psychologically important \$400 level. Gold for December delivery ended \$5.30 lower at \$399.30 an ounce, having set a 19-month low of \$398.00 earlier in the session.

Analysts said the drop in oil prices, particularly before the meeting this weekend of the OPEC pricing committee meeting, shook the confidence of traders who bought gold early.

On New York's Comex, the spot gold contract closed at \$394.20 an ounce, down from Wednesday's finish at \$399.30.

Earlier, in the London afternoon fixing, the price of gold edged over \$400 an ounce to \$400.35. The dollar ended at 1.8746 DM in London, compared with 1.8795 DM on Thursday, and at 134.43 yen compared with 134.65 yen. The pound closed at \$1.6715, compared with \$1.6680.

Dollar Target Is Opposed

NEW YORK — A key advisor to Michael S. Dukakis, the U.S. Democratic presidential candidate, said Friday that he opposed targeting an exchange rate level for the dollar if it were to lead to high interest rates and a recession.

Lawrence Summers, professor of economics at Harvard University, also said it was impossible to say at what level the dollar should trade to correct world trade imbalances.

"No one can say where the dollar has to go to equilibrate things," he said, "but it would be inappropriate for U.S. monetary policy to be held hostage to any particular dollar target if this would risk high interest rates and recession."

Mr. Summers was speaking after a luncheon address in New York. Reiterating a Dukakis theme, Mr. Summers said increases in taxes should be used only as a last resort to bring down the federal budget deficit. Instead, he advocated cuts in military and domestic outlays, while at the same time bolstering enforcement of tax collection.

He also indicated that he opposes any cuts that would affect the Social Security fund, saying the fund should be allowed to grow and make a contribution to national savings.

THRIFTS: A Ready-Made Crisis for Next President

(Continued from first finance page) have stopped loan payments, and sell it whenever its value improves.

The American Bankers Association, fearful that its member commercial banks will be called upon for aid, would set up a means to liquidate the insolvent savings institutions.

The new Treasury secretary, Nicholas F. Brady, who has been skeptical of some analysts' estimates that the losses are hurtling toward \$100 billion, has ordered an internal analysis of the figures. But Treasury officials say he considers the problem big enough to include in the analysis a proposal to solve it that he would submit to the president-elect.

Of course, there is always the hope that something will happen to relieve the pressure on the savings institutions.

A sharp fall in interest rates might, but that looks improbable now.

Some also say they hope that more private investors, like a few who with government aid have bought savings units in Texas and California, might see an opportunity in taking more of them over.

And they express hope that the bank board can contain the problem by moving more quickly to close the most troubled ones.

But economists and advisers to the candidates say that the savings industry liabilities appear to exceed widely the help from such developments. They say a president who waits to act could find an even tougher problem later.

Debts feed on themselves, they add, so delay means the problem gets worse.

The big fear is that depositors will lose confidence and start a run on the savings institutions that could imperil the whole banking system.

IMF: Some Balk at Debt Relief

(Continued from page 1) designed to head off inflationary pressures, have raised fears among some analysts of a further round of competitive increases.

Mr. Ruding said, however, that inflation was "certainly not picking up strongly" around the world.

"There is a certain revival of inflation and the fund is worried about it, and rightly so," he said. "But I am not sure it will be the general flavor of the meeting."

On domestic matters, Mr. Stoltenberg appeared to be taking distance from the position taken by Mr. Pöhl. The Bundesbank president

has been emphasizing that the prime responsibility of its policy making is monetary policy, not stabilizing exchange rates.

Mr. Stoltenberg acknowledged the prime role of monetary stability but said that "together we have a common interest in stable exchange rates."

He said that recent exchange-market stability was the result of cooperation among central banks and finance ministers. He added that higher stability of exchange rates required more convergence of financial and overall economic policies and monetary policies.

INTERVENTION: Coordination by G-7 Is Making for Greater Influence on the Foreign-Exchange Markets

(Continued from first finance page) that 80 percent doesn't want to take on the central banks," he said.

Richard E. Witten, vice president for foreign exchange at Goldman, Sachs & Co., said international cooperation has given intervention "an enormous amount of more clout" because "the assumption is that intervention is done on a coordinated basis."

The United States intervenes in the foreign-exchange markets when it buys or sells dollars—buying to support the dollar and selling to weaken it.

The decision to intervene involves the Treasury, the Federal Reserve Bank of New York, which carries out the interven-

tion operation, and the Federal Reserve Board in Washington.

The reasons for intervening vary. As was the case this summer, it can be an effort to stop a rise of the dollar. The central banks try to send a message to the markets about dollar policy, though the message may be ignored.

Intervention also can be aimed at restoring order in a disorderly market.

And in some instances, such as after the assassination attempt against President Ronald Reagan in 1981, it is intended to prevent the market from overreacting to an unexpected event.

If the Federal Reserve wants to be discreet, it will have a commercial bank act as its agent. Thus the transaction is in the name of the bank, not the government.

If the Federal Reserve wants to be more public in an effort to amplify the effect of the intervention, it can call several banks and just ask for a currency price and do a deal. In that case, the word gets around quickly.

The Federal Reserve also enhances its operation if it can catch the market by surprise and create some uncertainty.

It is also more likely that intervention will be effective if it is pushing the market in a direction it is ready to go anyway.

On Jan. 4, the Federal Reserve, in concert with other central banks, caught the market by surprise and stopped the fall of the dollar that had accelerated in late December, raising fears of a free-fall and the specter of a major recession.

The Federal Reserve, which usually trades in New York, made its impact much stronger by beginning to buy dollars in Asia on Monday morning, which was still Sunday night, New York time.

The buying continued as the markets opened in Europe and New York.

By Monday morning in New York, Federal Reserve officials, according to some traders, were openly telling dealers that the central banks were serious about stopping the fall of the dollar.

Announcements from key government officials about where they want the currency market to go also are a form of intervention in the market.

Some traders and economists argue that this summer's intervention showed that the method works.

Others come to the opposite conclusion. They argue that intervention alone cannot turn the market. A broader change in economic policy, including changing interest rates, is necessary, they argue.

The consensus, based on interviews with traders and economists, is that intervention, if it is to work, has to be coordinated by the United States and its allies.

FREE INFORMATION FROM INTERNATIONAL INVESTOR XI. Includes logo for International Herald Tribune and text about coupon for information.

ALFA-LAVAL advertisement. Text: Alfa-Laval is one of the World's largest suppliers of milking equipment and processes for the food processing and other industries. Annual invoiced sales amount to 2 billion U.S. dollars.

BAYERISCHE VEREINSBANK advertisement. Text: BAYERISCHE VEREINSBANK, the largest private banking group in the long-term credit sector in the Federal Republic of Germany, has further expanded its network at home and abroad.

CGE advertisement. Text: CGE is the French parent company of an international group, with over 1,000 subsidiaries and affiliates and 200,000 employees, which is present in 80 countries.

CREDIT BANK advertisement. Text: CREDIT BANK A.E. is the largest private sector bank in Greece. In 1987, assets increased by 26% to Dr. 554,217 million (U.S. \$4,400 million).

ECONOCOM advertisement. Text: Econocom International is the industry leader in consultancy and services for data processing and telecommunications. The group is currently operating in 16 European countries.

HARRIS/3M advertisement. Text: NEW 115AD FAX DON'T WAIT ANY LONGER. You can't do without Fax for fast, efficient communications. 1,200,000 Fax machines are already at work in Europe.

Limburg advertisement. Text: Limburg Your European hub. There is a location in Western Europe where 50 million consumers live within a distance of no more than 130 miles.

NATIONALE NEDERLANDEN advertisement. Text: Reports excellent half yearly results. Nationale-Nederlanden is the largest insurance group in the Netherlands and one of the largest in the world.

SCOR advertisement. Text: The activities of re-insurance cover every specific field of insurance. As a result, they are wide-ranging and entirely international-minded.

TRANS EUROPE FUND N.V. advertisement. Text: Trans Europe Fund — quoted on the Amsterdam Stock Exchange — is one of Europe's fastest growing open end investment funds.

Herald Tribune coupon. Text: Mail this coupon or send telex to: Matthew Greene/International Investor XI International Herald Tribune.

Friday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table A: AMEX Closing prices for various stocks including AIG, AXP, and others.

Table B: AMEX Closing prices for various stocks including AIG, AXP, and others.

Table C: AMEX Closing prices for various stocks including AIG, AXP, and others.

Table D: AMEX Closing prices for various stocks including AIG, AXP, and others.

Table E: AMEX Closing prices for various stocks including AIG, AXP, and others.

Table F: AMEX Closing prices for various stocks including AIG, AXP, and others.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) Sept. 23, 1988

Main table of International Funds with columns for fund name, share price, and other details. Includes sections for Other Funds, Floating-Rate Notes, Dollars, Pounds Sterling, and Deutsche Marks.

AS - Australian Dollars; BF - Belgium Francs; CC - Canadian Dollars; DM - Deutsche Marks; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florins; L - British Pounds; S - Swiss Francs; Y - Japanese Yen; Z - South African Rand; A - American Dollars; B - British Pounds; C - Canadian Dollars; D - Deutsche Marks; E - European Currency Unit; F - French Francs; G - Dutch Florins; H - British Pounds; I - Swiss Francs; J - Japanese Yen; K - South African Rand; L - American Dollars; M - British Pounds; N - Canadian Dollars; O - Deutsche Marks; P - European Currency Unit; Q - French Francs; R - Dutch Florins; S - British Pounds; T - Swiss Francs; U - Japanese Yen; V - South African Rand; W - American Dollars; X - British Pounds; Y - Canadian Dollars; Z - Deutsche Marks.

BUSINESS ROUNDUP

Delta Order Gives a Lift to MD-11

By Julia Flynn Siler
New York Times Service
CHICAGO — McDonnell Douglas Corp. and its MD-11 program will get a much needed boost from Delta Air Lines' huge aircraft order.

medium-range twin-engine plane. The order provides a boost for McDonnell Douglas's MD-11 program. Since the company announced its decision to build long-range wide-bodies in late 1986, sales have lagged behind those of Boeing's family of wide-bodies.

McDonnell Douglas's stock rose 50 cents Friday on the stock exchange. The company's stock price rose \$1.25 to \$61.375. In the first half, McDonnell Douglas earnings fell 13 percent to \$121.6 million from \$140.1 million a year earlier.

Skandia to Buy Remainder of Foreign Unit

STOCKHOLM — Sweden's largest insurance company, AB Skandia, offered Friday to buy 3.6 billion kronor (\$558 million) for the 55 percent of its international unit that it does not own.

IRVING: Bank of New York's Hostile Bid Is Entering Its Second Year

(Continued from first finance page)
tracted nature of the struggle has as much to do with personalities and attitudes as with the process. Of course, subjective factors always play a role in takeovers.

Table with financial data for Bank of New York and Irving Bank, including AT A GLANCE and AT A GLANCE sections.

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offered to improve its bid, Irving promptly solicited another bid from Banca Commerciale. Bank of New York charged that Banca Commerciale's offers were not genuine, but designed to thwart them.

Gillette Workers Fight to Save Razor Factory in France

because demand for its main product — double-edged razor blades — is falling as disposable razors become more popular, and because Gillette says it is under pressure to cut costs to fend off takeover. Workers contend that the plant is profitable.

mountain climbers scaled Mont Blanc in Chamonix, Europe's highest summit. They planted a flag that said "No" to the closing of the Gillette plant.

When Mr. Bacoit got word of Irving's filing, he exploded. "Bacoit's very controlled," said H. Rodgin Cohen, a partner at Sullivan & Cromwell who is advising Bank of New York.

Bank of New York's offer was predicated largely on exchanging 1,575 shares of its stock for every one of Irving's.

News of the talks depressed Bank of New York's stock and strengthening Irving's, thus working to Irving's advantage by raising the price of the acquisition.

Irving's investment banking advisers, Goldman, Sachs & Co. and J.P. Morgan & Co., then intensified their search for a white knight, a friendly investor or company to make a counteroffer.

Irving's fate, instead, has been in the hands of its 14 outside directors, many of whom are chief executives of leading corporations, who have met 28 times since Mr. Bacoit first approached the bank.

Mr. Bacoit does not see in this ordeal anything so profound. To him, the ups and downs of the past 12 months have been part of the price of a hostile takeover.

Friday's OTC Prices

MASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume.

Table of OTC prices for various stocks, including columns for High, Low, and Change.

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BOOKS

TWO LIVES, ONE RUSSIA

By Nicholas Daniloff. 307 pages. \$19.95. Houghton Mifflin, One Beacon Street, Boston, Mass., 02108.

Reviewed by Harrison E. Salisbury

SINCE the reign of Ivan the Terrible, secret police agencies have played an important, sometimes the most important role, in Russian government. That continuity and the deadly thrust it has given to Russian life lie at the heart of Nicholas Daniloff's remarkable work, "Two Lives, One Russia."

This is a double story, Daniloff's account of his arrest in Moscow as an American correspondent in 1986, and that of his great-grandfather, Alexander Frolov, one of a group of young Russian officers whose arrest in the "Decembrist conspiracy" of 1825 led Czar Nicholas I to create the Third Department of his Imperial Chancellery, direct ancestor of today's KGB.

The parallels between Daniloff and his famous ancestor are not very close. Frolov spent 10 years in prison and 20 years in Siberian exile. He was guilty of the charge against him, Daniloff spent 14 nervous days in Moscow's old Lefortovo prison from Aug. 30 to Sept. 12 in 1986. He was guilty of nothing, an accidental pawn in the endless and often aimless game of spy and counter-spy played by Soviet and American security agencies.

Daniloff was packing up to leave Moscow after five years as correspondent for U.S. News & World Report when he was arrested. His Russian was fluent. He knew all about the Soviet police and their shoddy tricks. He took reasonable care against provocation, but, ood and then, he let his guard down. He could not cut himself off from all Russian contacts even though he was well aware that some of the Russians he met were bound to be provocateurs. One such, as it turned out, was "Misha from Frunze," a chance acquaintance who foisted on Daniloff a packet of photographs and maps and set the American up for arrest.

Another enigmatic figure was "Father Roman," who thrust upon Daniloff a letter to be delivered to the American ambassador. Daniloff should have followed his wife Ruth's instant response: "Burn it." He didn't. He took it to the American Embassy. In a bitter coda to his account of his arrest and imprisonment, Daniloff reveals that after his release he learned that at the

embassy the "Father Roman" letter had been given to the CIA station chief in Moscow who then contacted Roman. Moreover, the agency had used Daniloff's name in monitored phone calls and in at least one open letter. Fortunately for Daniloff his case became an international sensation. President Ronald Reagan and Mikhail Gorbachev personally became involved. With all this hubbub Daniloff was released.

So was Genadi Zakharov and that was the main point, Zakharov, a Soviet employee, had been arrested in New York City by the FBI. Daniloff's arrest in Moscow was a simple diplomatic ploy, the basis for a trade, you release our man, we release yours.

What was striking about the Daniloff case, as his book makes clear, was the care with which material against him had been stockpiled over the years in the event the KGB at some moment would find it in their interest to put him in custody.

And even more important is the question posed by Daniloff: "Why did the FBI arrest Genadi Zakharov, a Soviet physicist assigned to the United Nations secretariat, just weeks before an expected summit?"

Daniloff provides no answer but for years observers have noted with curiosity the frequency with which headlines incidents, usually involving spying or intelligence, seem to occur at moments when the United States and the Soviet Union are groping toward better relations. It could be just coincidence. Some have suggested that the shadow of summery is a propitious time for daring espionage exploits since chiefs of state might be reluctant to blow a whistle.

In fact, whatever its origin, the Daniloff case was handled with considerable diplomatic skill in both Washington and Moscow. It was used by Washington to obtain the release of the dissident Yuri Orlov and some other detainees as the two sides agreed to a new summit meeting in Iceland.

If anyone on either side had thought that the Zakharov-Daniloff case would seriously derail U.S.-Soviet relations, they were disappointed. But it has left disturbing and unanswered questions.

Harrison E. Salisbury was for many years Moscow correspondent of The New York Times. He wrote this for The Washington Post.

World Stock Markets

Via Agence France Presse. Closing prices in local currencies, Sept. 23

Table of World Stock Markets with columns for Amsterdam, Frankfurt, London, Zurich, Sydney, Paris, Stockholm, Toronto, Madrid, Sao Paulo, Milan, Singapore, and OCEANIA. Includes various stock indices and prices.

Table of Market Closed with columns for Tokyo, Zurich, Sydney, Toronto, Montreal, and Singapore. Includes various stock indices and prices.

Brief Encounters By Betty Jorgensen

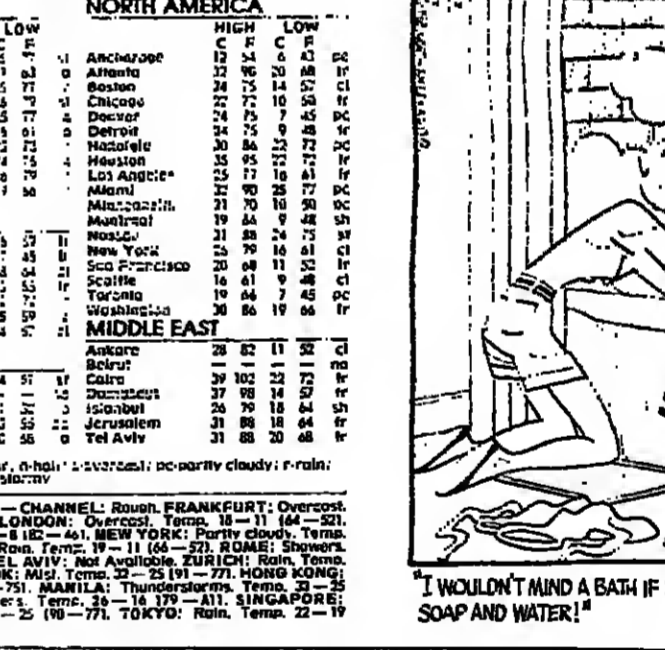
Crossword puzzle grid with numbers 1-31 and 43-63.

- ACROSS: 1 Town SW of Padua, 5 Scrub, 10 Moroccan capital, 15 Hangars, 20 Square columns, 21 Creator of Truthful James, 22 Levant, French island, 23 Overd country, 24 WHAT HE WAS DOING, 25 Three: Prefix, 26 San... W. R., 28 Hearst's castle, 30 Sopranos, 31 Liens thrown by Eric, 32 Carry on, 34 "we for... get... ", 35 Crisp topping, 37 Kind of market, 39 Lament, 40 An act of suppression, 44 WHAT HE SAW, 49 Shamus, 50 Stag's mate, 51 Railroad stations, 53 Great: Comb. form, 55 "Singing Cowboy" of movies, 57 Bride part, 58 H. Clay, to A. Jackson, 59 Italian city on the Po, 60 Dispatch boat, 61 Desist, 62 Here's a man since 1920, 64 Haze-smoke mixture, 65 Pastors' homes, 66 "shrew" Wagnerian earth goddess, 67 Basso Italo, 69 Fitty's father, 70 WHAT HE REPLIED, 79 Fibes the squeaks, 80 Nine: Comb. form, 81 Dark-suit nemesis, 82 Me, to Miss Piggy, 83 "Off in the..." Night": T., 84 Piled with potions, 87 With 76 Down, 88 Part of f.c.l., 89 Entire, 91 Small nightclub Emblem on a Greek flag, 92 Liens thrown by Eric, 94 Nose-bag contents, 95 Laid-out Russian: 1853, 96 Prepare oysters, 97 Fish, maggers, 98 Kind of virus, 99 Forbid, 100 WHAT SHE REPLIED, 103 Ancestry, 105 Unsubstantial, 106 Gloch symphony, 110 Scraggle rooms, 111 Optim source, 113 Great: Comb. form, 115 European tree, 116 Like some kids, 119 Bridal path, 120 Cleanse the throat, 122 Bonaparte's marriage, 123 WHAT HE SAID, 124 Luscious fiber, 128 A.L. home-run leader: 1941, 129 Landed estate, 130 Umic of force, 131 Ancient chariot, 132 "Sing... songs for me": C. Rossini, 133 Oscar, e.g., 134 Germ.

WEATHER

Table of WEATHER with columns for EUROPE, ASIA, NORTH AMERICA, AFRICA, LATIN AMERICA, and OCEANIA. Includes high and low temperature forecasts.

DENNIS THE MENACE



PEANUTS comic strip featuring Snoopy and Woodstock.

ANDY CAPP comic strip featuring a man with a camera.

WIZARD OF ID comic strip featuring a man with a wizard hat.

REX MORGAN comic strip featuring a man in a suit.

CARTFELD comic strip featuring a man with a large nose.

BLONDIE comic strip featuring a blonde woman.

BEEBLE BAILEY comic strip featuring a man with a beard.

DOONESBURY comic strip featuring a man with a large nose.

DOONESBURY comic strip featuring a man with a large nose.

WORLD MARKETS IN THE REVIEW section.

OLYMPIC

OLYMPIC RESULTS

MEDALS

Table showing medal counts for various countries in the Olympics, including Gold, Silver, and Bronze medals.

FENCING

Table of fencing results for individual sabre and team sabre events.

GYMNASTICS

Table of gymnastics results for women's individual all-around and men's individual all-around.

SHOOTING

Table of shooting results for men's rapid fire pistol and men's running game target.

SWIMMING

Table of swimming results for men's 200-meter breaststroke and men's 100-meter butterfly.

TRACK AND FIELD

Table of track and field results for men's shot put and men's 100-meter hurdles.

WOMEN'S MARATHON

Table of women's marathon results.

MEN'S 100 METERS

Table of men's 100 meters results.

MEN'S 200 METERS

Table of men's 200 meters results.

MEN'S 400 METERS

Table of men's 400 meters results.

MEN'S 800 METERS

Table of men's 800 meters results.

MEN'S 1500 METERS

Table of men's 1500 meters results.

OLYMPICS ON TV

SATURDAY, SEPT. 24
Austria-2:30 P.M.-5:30 P.M. (TV 11)
France-2:30 P.M.-5:30 P.M. (TV 11)
Germany-2:30 P.M.-5:30 P.M. (TV 11)
Italy-2:30 P.M.-5:30 P.M. (TV 11)
Japan-2:30 P.M.-5:30 P.M. (TV 11)
Korea-2:30 P.M.-5:30 P.M. (TV 11)
Mexico-2:30 P.M.-5:30 P.M. (TV 11)
Poland-2:30 P.M.-5:30 P.M. (TV 11)
Romania-2:30 P.M.-5:30 P.M. (TV 11)
Soviet Union-2:30 P.M.-5:30 P.M. (TV 11)
USA-2:30 P.M.-5:30 P.M. (TV 11)
West Germany-2:30 P.M.-5:30 P.M. (TV 11)
Yugoslavia-2:30 P.M.-5:30 P.M. (TV 11)

SUNDAY, SEPT. 25

Austria-10:00 A.M.-12:00 P.M. (TV 11)
France-10:00 A.M.-12:00 P.M. (TV 11)
Germany-10:00 A.M.-12:00 P.M. (TV 11)
Italy-10:00 A.M.-12:00 P.M. (TV 11)
Japan-10:00 A.M.-12:00 P.M. (TV 11)
Korea-10:00 A.M.-12:00 P.M. (TV 11)
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West Germany-10:00 A.M.-12:00 P.M. (TV 11)
Yugoslavia-10:00 A.M.-12:00 P.M. (TV 11)

Mets Seal NL East; Phillies Fire Manager



A Mets mainstay, Darryl Strawberry, squeezes teammate Keith Hernandez in a familiar division-clinching meeting on the mound.

NEW YORK — For the second time in three years, the New York Mets marched to the championship of the National League's East Division Thursday, and they did it with a fury as they won their eighth straight game, the 13th in their last 14 and the 23rd in their last 28.

They clinched it with flair when Ron Darling pitched them to a 3-1 victory over the Philadelphia Phillies before a roaring home-town crowd. Darling hurled a six-hitter, and Don Carman threw a wild pitch that allowed the go-ahead run in the fifth inning.

On Friday, the Phillies fired manager Leo Eina and named John Vukovich as interim manager. Eina, 51, was hired in June 1987, replacing John Felske. The Phillies have lost 33 of their last 47 games.

Nobody took to the field this time because it was rained by army of police officers, 80 on horseback, 800 on foot and 220 guards hired for stadium security.

European Horses Fly In For Paydirt on U.S. Grass

NEW YORK — Once again, horses with mediocre form in Europe are piling onto airplanes to plunder America's richest grass races. This year, even more than in the past, they are likely to come away with most of the booty, beginning with the \$396,000 Man o' War Stakes this weekend at New York's Belmont Park.

SCOREBOARD

Table showing baseball scores for Thursday's line scores and major league standings.

WOMEN'S HEPTATHLON

Head 1 — Jackie Joyner-Kersey, U.S., 52:24 seconds, 12.2 points, 1.25 meters, 1.25 meters, 1.25 meters, 1.25 meters, 1.25 meters, 1.25 meters.

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Table showing subscription rates for various countries and currencies, including rates for 12 months, 6 months, and 3 months.

INTERNATIONAL Herald Tribune

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SPORTS / 1988 SUMMER OLYMPICS



Mota Wins Marathon For First Track Gold

By William Gildea
Washington Post Service

SEUL — Rosa Mota of Portugal took the world's best women's distance runners on a tour of Seoul's expressways and streets Friday, then left them for a dash to use gold medal in the marathon she has come to dominate.

Mota, who won the world championship last year in Rome, pulled away from Anstraba's Lisa Martin and East Germany's Kathrin Dörre as the runners passed tantalizingly close to the Olympic Stadium. But they still had to make a loop through neighborhood streets, and on that flat, final stretch, Mota demonstrated with a near sprint why she has won 10 of her 13 marathons, including the last two in Boston.

Her time for the race of 26 miles, 385 yards (42.2 kilometers), a time of 2 hours, 25 minutes, 39 seconds, was almost a minute slower than Joan Benoit's gold medal effort four years ago in the first Olympic women's marathon, was off her own three-year-old best of 2:23:29 and was well short of Ingrid Kristiansen's world best of 2:21:06. But it was 13 seconds better than that of Martin, the runner-up. The former student at the University of Oregon, was second in 2:25:52, while Kathrin Dörre of East Germany won the bronze medal in 2:26:20.

And the spectators who lined the streets were treated to a thrilling tactical race that had Mota, Martin, Dörre and the Soviet Union's little Tatiana Polovinskaya running together much of the last half. Mota proved to be relentless, refusing to give away her lead. Once each, Dörre and Polovinskaya edged ahead, but Mota took the advantage right back on the way to the first track and field gold medal of the Olympics.

"This was my hardest race," said Mota, the bronze medalist four years ago in Los Angeles, "because until the last four kilometers it was such a struggle. The people watching must have been excited."

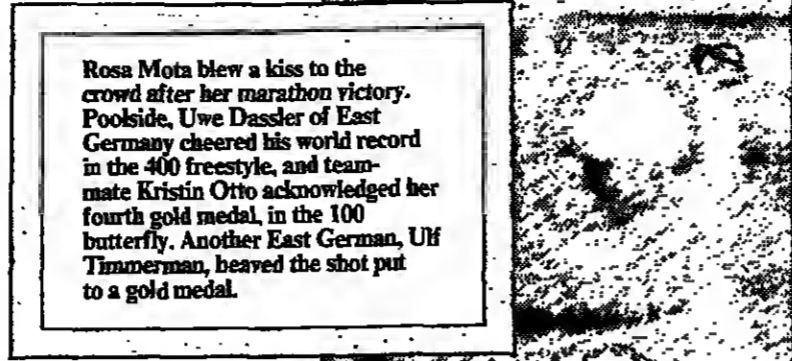
None more so than her coach, José Pedrosa, who with just a few miles remaining reminded his 5-

foot-1-inch (1.5-meter), 99-pound (45-kilogram) runner with a shout. "It's downhill the rest of the way! Go fast if you feel good enough."

All along the way, spectators offered polite applause and shouts of encouragement. Three miles after the runners took off from the Olympic Stadium like a thundering herd — two momentarily tumbled on the running track — they spread out and came to the crest of a hill, the highest point on the extremely flat course.

Norway's Grete Waitz, the silver medalist in Los Angeles, led for a time. But Mota surged ahead on the curving downhill off the bridge, and Martin and Dörre went with her. Waitz faded and dropped out after two-thirds of the race, unable to go on after arthroscopic knee surgery last month.

Temperatures had inched up to almost hot and humid by the time Mota had circled the track back in the stadium, waving triumphantly, in particular to Portuguese fans waving flags.



Rosa Mota blew a kiss to the crowd after her marathon victory. Poolside, Uwe Dasser of East Germany cheered his world record in the 400 freestyle, and teammate Kristin Otto acknowledged her fourth gold medal, in the 100 butterfly. Another East German, Ulf Timmermann, heaved the shot put to a gold medal.



Ulf Timmermann of East Germany heaved the shot put to a gold medal.

East German Defeats American With Record Last Shot Put

By Michael Janofsky
New York Times Service

SEUL — By his own admission, Randy Barnes had been "sleep-walking" Friday through the first five rounds of the Olympic shot put competition, more to awe of the experience than providing some drama of his own.

"I don't know," the big Texan said. "I was technically unsound, real hesitant, and I was afraid of fouling. I knew I had to take some reckless abandon on my last throw."

And that he did. With an effort of 73 feet, 5 1/2 inches (22.418 meters) on his sixth and final throw, a personal best, he moved into the lead by 3 1/2 inches over Ulf Timmermann of East Germany, only for Timmermann to pass him by the same margin on the final throw of the contest to win the gold medal with a new Olympic record of 73-8 1/2.

Not for nothing is Timmermann the world record holder at 75-8. Barnes thus became the second consecutive American to win the silver — Michael Carter finished behind Alessandro Andrei of Italy four years ago — and Werner Guenther of Switzerland passed Udo Beyer of East Germany on the final round for the bronze.

It was quite an ending to a sensational final round, easily the highlight of the long first day of track and field that included only two other finals, one of them Rosa Mota's victory in the marathon.

In the other, Josef Pribilinec of Czechoslovakia won the 20-kilometer walk in 1:19:57, breaking the Olympic record by more than three minutes. He was followed by Ronald Weigel of East Germany to 1:20:00 and Maurizio Damilano of Italy to 1:20:14.

The rest of competition consisted mostly of preliminary events to pare down, in some cases, unwieldy numbers of entrants. In the men's 100 meters, for example, 13 heats were necessary; in the men's 800, nine.

As impressive as Timmermann's final throw was, it might have been expected. In May, he improved the world record by six inches to 75-8, and, at age 25, he is just now moving into his prime, replacing the 35-year-old Beyer as East Germany's foremost shot putter.

Barnes, on the other hand, is 22, a youngster in the sport but with enormous potential and a personal best before Friday of 72-6 1/2. Having never competed against so many outstanding putters, he had reached a point in the final round that the challenge was more himself than the others.

Jackie Joyner Kersee, who improved her world record in the heptathlon to 7,215 points at the U.S. Olympic trials in July, took the first-day lead with 4,264 points for the first four of seven events, but it

was well off world record pace. At the trials, she had accumulated 4,367 points.

"I'm happy," she said of her score. "But my main goal is to win. Then, I hope for a world record. It's not out of the question."

Two East Germany women, Sabine John, with 4,083 points, and Anke Behmer, with 3,986, were behind her.

Joyner Kersee moved ahead of her record in the first event, the 100-meter hurdles, finishing in 12.71 seconds for 1,172 points, or four above her trials total.

She fell behind in the second, high jumping only 6-1 1/4, compared to the 6-4 effort at the trials. She failed three times at 6-2 1/4 and claimed it on tightness in her knee from an old injury.

That put her 87 points behind the record. She gained 11 with a 51-10 shot put, then lost another 27

when she ran the 200 meters in 22.56 seconds.

The heptathlon ends Saturday with the long jump, her best event, the javelin, and the 800 meters.

Among those who advanced through preliminary races were Edwin Moses, angry, and Mary Slaney, nervously.

Moses, the two-time Olympic gold medalist in the 400-meter hurdles, was unable to warm up on the track because of so many heats to get through, four in his event.

"It was chaos at the start," he said. "We had no chance to warm up out there. It's going to have to be improved."

He won his race easily enough, but the luck of the draw for the semifinals Saturday was not with him. His group includes three difficult opponents, his long-time rival, Harald Schmid of West Germany, Andre Phillips of the United States and Amadou Dia of Senegal.

For Soviet Woman, a Vault to Victory

By Lawrie Mifflin
New York Times Service

SEUL — Combining the elegance of a prima ballerina with the stunts of a circus acrobat, Yelena Shoushounova of the Soviet Union commanded perfect 10s in the floor exercise and vault Friday to win the women's individual all-around gold medal in gymnastics.

Shoushounova, 19, defeated Daniela Silivas, 18, of Romania by 79.662 points to 78.637, a margin of 2.5 one-hundredths of a point. Shoushounova needed a 10 on the last event, the vault, to win the gold.

Svetlana Bogumskaya, also of the Soviet Union, took the bronze. But it was the duel between the fiercely determined Shoushounova and the equally talented Silivas that captivated the audience.

By the luck of the draw, the two competed in consecutive order in the same group. With scores car-

ried over from the team competition, Shoushounova began the day with the lead.

She lost it on the first rotation, at the uneven bars, where Silivas scored a 10 with a high-flying routine. Shoushounova bounced back with brilliant performances on the next three events to catch up and then pass Silivas on the final event, the vault.

On the balance beam, Shoushounova brought a gasp from the crowd with the stunt only she performs, a twisting back flip out of which she lands not on her feet, but in a straddle position on the beam.

She got a 9.925; Silivas followed with a difficult routine that included two back walkovers performed without hands touching the beam, but she landed shakily on one and got a 9.90 score.

Floor exercise was next. The crowd was awed by Shoushounova's tumbling first, as she soared

high on her double flips and finished with a dynamic, dancing flourish for a 10. Silivas dancing was more saucy than elegant, but her tumbling stunts were more difficult even than Shoushounova's.

Her second tumbling run ended with two back handsprings into a full-twisting back flip — and the moment her feet touched ground she sprang forward again, into a front flip. The crowd roared.

As if that weren't enough, she sprinted down the mat again and did the same sequence again. But the judges could go no higher; Silivas also got a 10.

So it was up to the vault. A score of 9.975 would have meant a tie for the gold; anything less and Silivas would have won.

"Shoushounova has it in the bag," Peter Vidmar, the 1984 men's all-around champion from Los Angeles, said as he waited to watch the

final event. "She's gotten nothing but 10s on her vault in this whole competition."

Shoushounova and Silivas do the same vault — a full-twisting Yurchenko — and Silivas, going first, did hers well enough to earn a 9.95 score and put the pressure on her Soviet rival.

Shoushounova pounded down the runway, hit the springboard, touched the horse with her hands and shot up into the air, twisting, somersaulting, then dropping to the ground.

There was nothing left to do but bask in the applause, and accept the gold medal.

The top American finisher was Brandy Johnson, in 10th place. Phoebe Mills, who started in sixth place, had a bad day, falling off the balance beam and stepping off the mat in the floor exercise, and wound up 15th.

U.S. Boxer Batters Foe, and Quiets Korean Fans

By Michael Wilbon
Washington Post Service

SEUL — The South Korean fans sat quietly and applauded when the decision in favor of the U.S. boxer was announced.

Romalis Ellis recorded three standing eight-counts and battered Lee Kang Suk of South Korea without mercy Friday, giving the U.S. team a decisive victory in an Olympic lightweight bout.

Ellis, a 132-pounder, won a unanimous 5-0 decision although he was hit often in the first round. But he came back to register two standing eight-counts in the second.

The South Korean received a final standing eight-count with four seconds left in the bout, when it was apparent he was about to fall down.

His nose bled heavily even though a Peruvian official three times took gauze from his shirt pocket to wipe away the blood.

On Friday, the U.S. coach, Ken Adams, told Ellis to control his opponent from start to finish and take the decision out of the officials' hands.

"After the eight-counts, I had no doubts in my mind," Ellis said. "I knew I had the fight from there."

The fight could have ended in the second round, after the first two eight-counts, when the South Korean went down again. A third knockdown in the round would have ended the fight automatically, but the official ruled Lee had hit the mat as the result of a push, not a punch. Television replays seemed to agree, but not Ellis.

"The ref said no knockdown and I started to go wild," Ellis said. "I hit him with a straight left, right to the jaw and set him down."

Adams and Ellis said they were certain the referee was reluctant to stop the fight, and Adams screamed at the referee to stop taking his time when he halted action to wipe Lee's nose.

She said the International Amateur Boxing Federation had taken the measures it deemed necessary.

The federation suspended five Koreans for attacking the referee, Keith Walker of New Zealand.

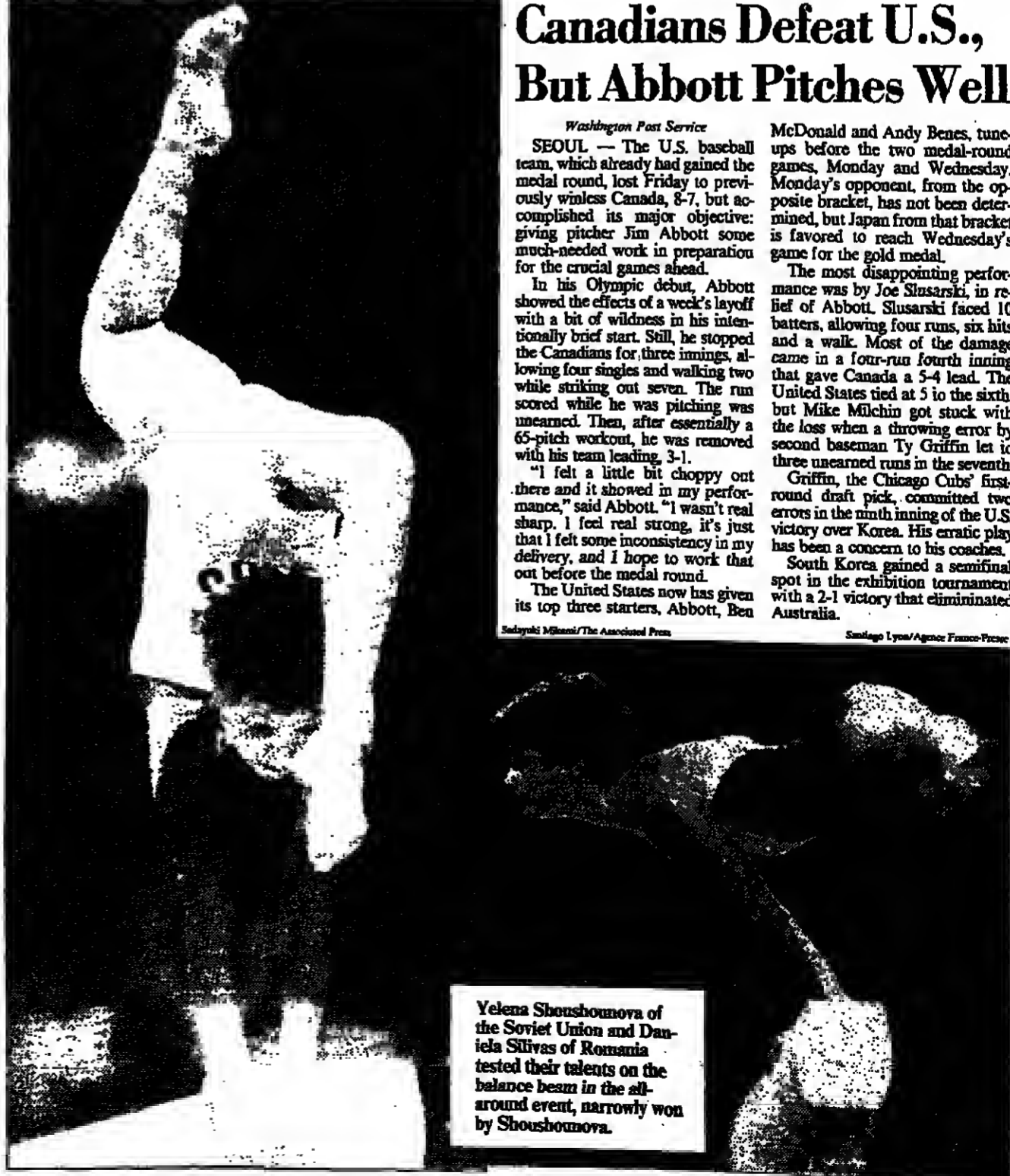
Byun was suspended indefinitely from international competition for staging a 67-minute sit-in in the ring to protest his loss.

The English-language newspaper Korea Times, meanwhile, relegated mention of the melee to the seventh paragraph of its main boxing account, which began by saying Byun had to fight "two men — his opponent and the referee."

It accused Walker of biased judging and of interfering with Byun by disturbing his rhythm.

The article said, "Korean officials and home fans had the right to be angry with the judge's unilateral way of managing the fight against Byun."

"However," it added, "the Korean officials who charged into the ring after the referee have no excuse to justify their reckless action."



Yelena Shoushounova of the Soviet Union and Daniela Silivas of Romania tested their talents on the balance beam in the all-around event, narrowly won by Shoushounova.

Otto Collects 4th Gold, Biondi Wins 5th Medal

By Frank Litsky
New York Times Service

SEUL — Certainly, Matt Biondi of the United States attracted attention in Olympic swimming Friday night by winning his fifth medal — his third gold — and anchoring the United States to a world record in the men's 400-meter freestyle relay.

Certainly, Uwe Dasser of East Germany attracted attention by winning a wide-open men's 400-meter freestyle and breaking the world record.

And certainly, Mary T. Meagher of the United States attracted attention by qualifying last, then finishing next to last in the women's 100-meter butterfly, in which she has held the world record for seven years.

But the sixth of the eight days of Olympic swimming belonged to Kristin Otto, an East German of amazing versatility. She won the women's 100-meter freestyle Monday and the 100-meter backstroke Thursday, and Friday she won the 100-meter butterfly. No swimmer had ever achieved that triple crown in an Olympics or a world championship.

Ono has four gold medals here, including one in a relay, and she is not done. She will swim in the 400-meter medley relay Saturday, with a gold medal likely, and the 50-meter freestyle Sunday, with a medal possible but a gold unlikely. So she should finish with five gold medals and perhaps six medals in all. Biondi has two more events, too, and should finish with seven medals, four gold.

Otto said all she really wanted to win here was the 100-meter freestyle, in which she holds the world record, so everything else has been a bonus.

"Perhaps my success comes from trying to stay quiet and not lose my nerves for an important final," she said.

"She is a fantastic swimmer," said Meagher, one of her victims. "She comes back night after night."

East Germany, with opportunities to win nine medals Friday, won five. Two came in the butterfly, where Otto beat her teammate, Birte Weigang, in 59.00 seconds, an Olympic record. Meagher was seventh in 1:00:37.

Meagher is probably the best butterfly swimmer ever, male or female. She won three gold medals in the 1984 Los Angeles Olympics, including one in this race. But she had had difficulty motivating herself since, and her training has not gone well here.

She barely qualified for the final in 1:01:48. In the final, she swam faster, but she was nowhere near her world record of 57:93 and had not been for years.

"I don't know," she said. "I was kind of shocked in the morning and surprised at night. I wouldn't be human if I didn't feel upset. It's hard to believe the world record was my race. It was so long ago. I'm a different person."

The only American medal of the night came in the relay, where a world record was expected and delivered. The team of Chris Jacobs, Troy Dalbey, Tom Jager and Biondi won in 3:16.53. They broke the 1985 world mark of 3:17.08 by a United States national team also anchored by Biondi. Here, Jacobs swam his leg in 49.63 seconds, Dalbey in 49.75, Jager in 49.34 and Biondi in 47.81.

Dasser's victory was no surprise because he was ranked No. 1 in the world last year. But the race was so close that in the last half-lap four of the eight finalists had a chance.

Matt Cetlinski of the United States took the lead at 225 meters and stayed there until 25 meters remained. In the drive to the finish wall, Dasser beat Duman Armanwall. Dasser beat Duman with strong arm of Poland another foot behind. Cetlinski faded to fourth.

Dasser's time was 3:46.95. He broke the world mark of 3:47.38 set by Wojdat last March in Orlando, Florida.

"I'm disappointed," said Cetlinski. "I'm numb. I could sense they were coming on me to the last 50, but I had nothing left. I gave it my best shot. I have nothing to be ashamed of. I'm not going to let it haunt me the rest of my life."

In the men's 200-meter breaststroke, Jozsek Szabo, the world champion from Hungary, beat Nick Gillingham of Britain in 2:13.52, the second fastest time ever.

The women's 100-meter breaststroke resulted in a major upset. Tania Dangelakova beat Aneta Frenkova, her Bulgarian teammate, in 1:07:95, an Olympic record. Favored Silke Hörner, East Germany's world champion and world record-holder, settled for the bronze medal.

Defector Is Worth His Weight in Gold

ANKARA — Turkey paid Bulgaria \$1 million to let Namik Suleymanoglu, a world champion weight lifter, compete in Seoul. Prime Minister Turgut Ozal said Friday.

Ozal said the payment for Suleymanoglu, who defected to Turkey in 1986, was made to get Bulgaria to waive a rule that could prevent a defector from taking part in the Olympics for three years. Suleymanoglu set three world records Tuesday and is due home to a hero's welcome on Saturday.

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POSTCARD

A President's House

By Annie Weinstein

New York Times Service
CINCINNATI — In early January 1854, Louise Taft, William Howard Taft's mother, wrote to her sister describing efforts to furnish the parlor of the family's Cincinnati home.

"The table we think of getting has a black marble top and the wood around it rosewood while the legs and underpart of the table... [are] of the imitation," she wrote.

Like dozens of others, this letter proved invaluable to the U.S. National Park Service historians who are restoring and refurbishing the birthplace of the 27th president of the United States.

Taft, the only president who also served as chief justice of the United States, grew up in "a relatively high-class home," said Sarah Olson, chief of the historic furnishings division of the Park Service's interpretive design center.

According to a Park Service report written by Olson, the hilltop home was, by 19th-century standards, a country house or villa.

oughly documented, will look as they did between 1854, when Taft's parents were married, and 1877, when a fire led to extensive remodeling.

When it came to refurbishing, Olson said historians had an exceptional amount of material to work from. "In terms of letters, it's probably the best-documented interior I've ever seen," she said.

"You really have to look closely at their lives, because comments that don't necessarily relate directly to the furniture will imply certain functions that took place in the house," Olson said.

There is no complete inventory of the house and its original contents. However, Taft's grandfather, Peter Rawson Taft, twice made up a list of the books and pamphlets in the library.

Few of the Tafts' own furnishings will be on display, since virtually all the originals have been lost, Olson said.

Restoration began six years ago. Except for landscaping, the home's exterior has been restored to its appearance in 1868, the year, historians estimate, that the earliest known photograph of the entire house was taken.

Interior restoration began last fall with what had been the parlor, front hall, library and nursery, as well as three rooms for exhibitions.

A Woman And Her Apes

By Sheila Rule

New York Times Service
NEW YORK — Before she went out to work with the gorillas, Sigourney Weaver said, she stopped by the small gorilla cemetery, at the grave of Dian Fossey, the prickly American naturalist who devoted 18 years of her life to befriending, studying and protecting the rare mountain gorilla.

"Before I started this, I knew it would be difficult," Weaver said. "I just had to remember that Dian did everything 100 percent."

Weaver worked with a group of gorillas Fossey had studied, and every venture into their habitat was filmed. Through the use of a small receiver placed in the actress's ear, the unit that filmed the wildlife scenes was able to coach her through her experiences with the primates and obtain remarkable close-ups.

"I think that finding the gorillas so soon and being so happy with them so quickly was Dian's gift to me," said Weaver. "A female came over and put her arm around me. My going out with the gorillas was the touchstone for everything I've done since in the movie. This was my preparation. I've been with them so much that they forgot I was a stranger."

Government rules permitted only one hour of filming with the primates each day, despite the hours it took the crew to climb the mountain and track the animals.

film crew. The small number of people on the shoot was intended to keep the gorillas from being nervous. But it could make for nervousness on the part of the human participants.

One day Weaver was approached by a female gorilla who seemed friendly. Then, with loud booms and violent beating of his chest, the lumbering patriarch appeared from the bush, all 400 pounds (180 kilograms) of him.

Although she felt a rush of panic, Weaver immediately went to the submissive position that she had learned from her trainer. Gorillas do not like to feel threatened, so you cannot seem taller than they. Nor can you look them in the eye for long without angering them.

"Before I started this, I knew it would be difficult," Weaver said. "I just had to remember that Dian did everything 100 percent."

Weaver worked with a group of gorillas Fossey had studied, and every venture into their habitat was filmed. Through the use of a small receiver placed in the actress's ear, the unit that filmed the wildlife scenes was able to coach her through her experiences with the primates and obtain remarkable close-ups.

"I think that finding the gorillas so soon and being so happy with them so quickly was Dian's gift to me," said Weaver. "A female came over and put her arm around me. My going out with the gorillas was the touchstone for everything I've done since in the movie. This was my preparation. I've been with them so much that they forgot I was a stranger."

Government rules permitted only one hour of filming with the primates each day, despite the hours it took the crew to climb the mountain and track the animals.



Weaver on location in Rwanda: "I feel very protective of Dian."

As many as 400 Rwandans were hired as porters and messengers because the base camp had no mail or telephone service. Terence Clegg, the movie's co-producer, along with Arnold Glimcher, the owner of the Pace Gallery in New York City, said logical challenges made the making of "Gorillas in the Mist" more difficult than any of his other work on the continent.

"Be authentic is what I said to myself when planning to make the movie," said Apte, a Briton, whose film credits include "Cool Miner's Daughter" and "Gorky Park."

Glimcher and Universal Pictures had acquired the film rights to Fossey's autobiography before her death, and the original plan was for Fossey to participate in making the film. Glimcher had traveled to the Rwandan hills to discuss plans for the movie with her. Just hours before the two were to meet for the first time, Fossey was murdered.

"I felt terrible shock and disappointment, and thought the project was over," said Glimcher. "Little did I realize that people all over the world would be so interested in her."

The film, too, aims to draw a portrait of a complex and driven woman whose devotion to her cause interested her society. Her interest in gorillas had been sparked by the anthropologist Louis S. Leakey, whom she visited in Tanzania in 1963, and who suggested that she embark upon a long-term study of gorillas similar to Jane Goodall's famous study of chimpanzees.

"I feel very protective of Dian," Weaver said. "She was a complex subject who hated many people and burned down huts. But I didn't want to tell the story of a woman's descent into madness and isolation. I wanted to tell the story of who this woman was, what she loved, what she devoted her life to."

Wayne McGuire, Fossey's last research assistant at the center, told reporters shortly after her death that she had been on the morning of Dec. 27, 1985. Her face had been deeply slashed with a machete. A Rwandan court convicted McGuire, of Haziye, New Jersey, of the murder in absentia after he had returned to the United States. The trial, which lasted less than half an hour, was widely viewed as a face-saving move by the Rwandans. To friends and enemies alike, Fossey's murder remains unsolved.

The owners of Harry's Bar & American Grill will no longer hold their imitation Hemingway Competition, which had attracted prodigies of the author's style for more than a decade. "Quite frankly, the time and management commitment in addition to the cost of the competition have just outweighed our resources," said Charles Frank, president of Spectrum Foods Inc., which owns Harry's bars in San Francisco and Los Angeles.

The Duke and Duchess of York have been apart since shortly after their daughter, Princess Beatrice, was born in August, but they will be reunited on Sunday when his ship docks in Sydney. The Duchess, the former Sharmah Ferguson, is joining her husband, Prince Andrew, on an official party marking Australia's Bicentennial celebrations. The baby stayed behind.

PEOPLE

U.S. Arts Council Sets \$9 Million in Grants

The National Endowment for the Arts has awarded \$9 million in matching fund grants to 25 projects in the United States, with the largest grant, \$1 million, going to Center Stage in Baltimore to boost the pay scale of performers. The smallest awards, of \$50,000, went to Monodnock Music in Peterborough, New Hampshire, to help fund concerts for youths with disabilities and at correctional facilities; and the Coordinating Council of Literary Magazines in New York, to strengthen literary magazines. Frank Hoback, chairman of the Endowment, said the grants were awarded to projects of "exceptional artistic merit."

Gabriel Garcia Marquez's "Love in the Time of Cholera" about a man who has waited more than 50 years to redeclare his passion for a beautiful woman widowed at her death, has won the fiction award in the ninth annual Los Angeles Times Book Prize competition. Translated from Spanish, the novel by the Nobel Prize-winning Colombian author was one of five books selected. The others are: Richard Wright's "New and Collected Poems"; Eric Foner's "Reconstruction: America's Unfinished Revolution, 1863-1877"; Brenda Winehouse's "Now, The Real Life of Molly Bloom"; and William Greider's "Secrets of the Temple: How the Federal Reserve Runs the Country."

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PERSONAL MESSAGES

MAY THE SACRED HEART OF JESUS be adored, glorified, loved and praised throughout the world, now and forever. Sacred Heart of Jesus, pray for us. Say the prayer nine times a day, by the ninth day your prayer will be answered. It is never too late to call. Publication must be provided. F.T.

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